

# **UNDERSTANDING CHANGE AND CHANGE MANAGEMENT PROCESSES: A CASE STUDY**

by

**Carlo D'Ortenzio**

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## **ABSTRACT**

The central focus of this case study is to advance knowledge regarding employees' understanding of change and change management within a public sector organisation, namely, the South Australian Tourism Commission (SATC). This organisation, like other public sector organisations in Australia, has undergone and is currently undergoing a series of significant organisational changes, mainly due to mandates brought about by public sector reform policy. Present trends in change and change management in Australia, both at the federal and state level, reflect a sense of urgency on the part of governments to revitalise a Public Service that is able to sustain continuity and change. This is based on the premise that it is only through reform that the Australian Public Service will be able to address the challenges of a rapidly-changing world. However, this means that public sector employees are now called upon to adjust their thinking and practices to respond to the changing needs and expectations demanded of them by governments.

In view of the above, this case study sought to understand and represent employees' understandings regarding what influences effective change processes and how these have impacted upon them. This is not to imply that this study has engaged in critical policy analysis but rather it has analysed trends, both nationally and internationally, in order to ascertain the manner in which public sector organisations, more so those in South Australia, are embracing contemporary practices in the arena of change and change management and if so, at whose and what expense?

The study, conducted at grassroots level, spanned approximately six years and sought to give voice to those least often heard or asked, that is, public sector employees. The questions asked of participants in both the informal and formal interviews – as part of the data collecting process – were related to changes that the organisation was undergoing, how these changes were being implemented, and the influence that these changes were having on them. Insights about public sector reform were gained by questioning organisational change processes and practices, and for viewing and describing the meanings that employees created around their roles, professions, and organisation.

Adopting a qualitative research methodology, the research questions focused on seeking a deeper understanding of the complex issue of change and change management from the employees' viewpoints and was guided mainly by the following questions:

- How did employees within the SATC view change processes and practices within the current work dynamics of their organisation?
- What were employees' understanding of the definitions of change and change management within the SATC?
- What were employees' experiences of change and change management within the SATC?
- What were employees' understanding of the term 'resistance to change' and the reasons as to whether employees resisted change initiatives in the SATC or not?
- What role did 'communication' play in the introduction and implementation of change and change management within the SATC?
- What role did managers/change initiators play in the change process within the SATC?
- How did employees view change and change management from a critical—bureaucratic or non-bureaucratic—perspective?

The secondary questions that informed the main research questions were:

- What were employees' expected roles in the change process with regard to the change initiatives being implemented in the SATC?
- To what extent were SATC employees afforded opportunities to contribute their expectations prior to, during and after the change process?
- What were the contributing factors to public sector reform and organisational and managerial change initiatives within the SATC?

During times of change, employees' understandings of change and change management are more readily apparent as they respond to the pressures of those changes. These understandings help to explain how individual employees construct meanings about their organisation, the changes affecting the organisation and themselves as members of the organisation.

Thus, through the data collected, the case study provided insights into understanding, identifying and describing how employees within the SATC perceived and constructed their organisation and managed their work lives, especially in times of change. Concerns surfaced during both the informal and formal interviews about the role of the employee, the needs of the organisation, the purposes of change and change management and related issues pertaining to public sector reform. At the same time, holding the organisational culture together were certain underlying values, characteristics, and expectations; mainly a commitment to the organisation and the best interests of the clients and customers.

The above concerns were evident in the findings from the informal interviews whereby employees' understanding of change and change management processes and practices differed to varying degrees. With regard to the findings from the formal interviews, the views echoed by employees provided a useful insight into what employees believed to be happening within the SATC with regard to change and change management. These views must be taken into consideration in order to create effective organizational change within the SATC.

Thus, understanding the dynamics between the existence of organisational change and the people who work in the organisation is important to policy makers. Also, whilst there is much literature on change and change management, little effort has been made to address and rectify the fears, concerns and expectations of these changes upon public sector employees. There is also limited evidence in the literature of the positive or negative aspects of change and change management from the employees' point of view – as recipients of change, because successful change and change management is dependent upon 'employee buy-in'.

In essence, this study demonstrates the need for public sector employees to have a 'voice' in change and change management processes and practices that affect them both on a personal and professional capacity.

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# CHAPTER ONE: ORIENTATION TO THE STUDY

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## 1.1 Introduction

This research study, 'Understanding Change and Change Management Processes: A Case Study,' located within the arena of public sector organisational life, was undertaken with the primary purpose of unravelling employees' views of change and change management (practices and processes). In this context, specific reference was made to employees within the South Australian Tourism Commission (SATC). Employees were invited to express their viewpoints of change and change management and how these had impacted upon their work environment and their lives within the SATC. The study, using qualitative methodology, also sought to launch the collective voices of employees into the central debate of change and change management within a public sector organisation. The data collection process, via the use of both informal and formal interviews primarily identified employees' viewpoints and understanding of change and change management processes and practices within the organisation.

The informal interviews illuminated employees' viewpoints, *inter alia*, issues related to the work environment of the South Australian Tourism Commission. Employees, through informal conversations, expressed their viewpoints on a range of issues in relation to current workplace processes and practices within the SATC. The general viewpoints, as expressed by employees, with regard to workplace processes and practices, are highlighted and discussed in Chapters Five and Six of this case study.

During the formal interview process, the following themes emerged from the data: an understanding of change and change management; a theoretical understanding of change and change approaches; employees' experiences of change; resistance to change; the issue of communication of change initiatives; managerial effectiveness and change; personal issues relating to change and change management and change as top-down driven policies.

## 1.2 Background to the Study

The emergence of new economies has ushered in imminent business opportunities for many organisations, both private and public. This has resulted in most traditional organisations – for example, public sector organisations – accepting the phenomenon of change and often coming to realise that if they do not change they will perish (Beer & Nohria 2000). However, this is easier said than done. Beer and Nohria (2000, p. 1) stated that ‘change remains difficult to pull off’, most organisations ‘have had low success rates [and] the brutal fact is that about 70% of all change initiatives fail’. Likewise, Macredie, Sandom and Paul (1998) maintained that successful organisations of the future, be it private or public, must be prepared to embrace the concept of change management or face extinction. Also, according to Beer and Nohria (2000), many organisations fail in their change initiatives because some senior personnel tend to rush these initiatives in their organisations, losing focus and becoming overwhelmed by the literature advising on why organisations should change, what organisations should strive to accomplish and how organisations should implement change. Thus, it can be argued that implementing change in both private and public organisations is no easy task to accomplish.

Adding to this dilemma is the issue of the need for change and the environment in which organisations currently operate. Burnes (1996a, Kanter (1989) and Peters and Waterman (1982) argued that many modern organisations, including those in the public sector, now find themselves in a volatile environment whereby the need to introduce and manage change successfully has become a competitive necessity. This environment determines the manner in which the organisation must operate but as Jury (1997) has stated, there is no accepted definition of what constitutes this current environment. However, a practical working definition is that the environment is closely related to the environmental variables which influence organisations. Simply stated, these environmental variables are political, economical, technological and sociological in nature. These play an important role in determining the type of change to be implemented and also the speed at which the proposed change or changes are to be implemented.

The researcher’s readings of the literature have revealed that the phenomenon of organisational change is a well-documented feature of contemporary life, which has been

well defined and extensively studied by numerous theorists associated with change and change management. Many respected writers in the field offer a range of different emphases or perspectives on change due to the many different ways in which change can be classified. Some theorists classify change according to the type or the rate of change required and this is often referred to as the substance of change (Dawson 1994). Semler (1993) made the case for dismissing the traditional manager-employee narrative in order to produce an organisation populated by entrepreneurs, while Bate (1994) proposed a broad definition for the magnitude of change, which he argues may be incremental or transformational. Kanter, Stein and Jick (1992) considered the nature of change and organisational development as a process-driven activity. Senge (1990) has developed the idea of change as learning and writers like Dunphy and Stace (1992) have blended ideas on the role of the individual in the organisation with models of organisational design and the facilitation of change based on a situational analysis of forces of change and leadership style requirements.

Although there is a general recognition of the need to manage change successfully in modern organisations, questions regarding the substance of change and how the processes can be managed still remain largely unanswered (Dawson 1994). Traditionally, theorists on change management have argued that the primary purpose of change was to create stability in the organisation through the least amount of change initiatives (Weisbond 1976; Stacey 1996). According to Rickards (1999), this approach is guided by methods of scientific enquiry and rational theory development grounded in modernism. Burnes (2000, p. 153) stated that the modern era is characterised by ‘mechanistic and hierarchical structures based on the extreme division of labour, and control systems that suppress people’s emotions and minimise their scope for independent action’. For Clarke (1999), testimony to the prevalence of modernistic beliefs within the field of organisational change has been the domination of the top-down, rolled out, ‘programmatic’ approaches, which provide step-by-step guides for managers and change agents.

Added to this, the ever-increasing pace of change in world markets and governments has led to a marked emphasis on the need for organisations to develop dynamic, competitive strategies on an ongoing basis (McHugh 1996). Rather than placing too much emphasis on ‘mechanistic and hierarchical structures’, ‘control systems’ (Burnes 2000, p. 153) or top-

down, rolled out approaches (Clarke 1999), Rickards (1999), Turner (1999) and Lowendahl and Revange (1998) maintained that organisational strategists must go beyond examining how their external and internal organisational contexts interact; they must examine the fundamental assumptions and systematic truths that are dictating organisational strategies. In this regard, Lowendahl and Revange (1998, p. 755) stated explicitly that:

In this new context, [change agents] need to go beyond the theoretical lenses and paradigms they have been trained in to explore the implications of these changes at a more fundamental level ... [change agents] need to refocus attention on the underlying assumptions in order to explore their areas of applicability and the limits to the relevance.

Thus, from an employee's perspective, any form of organisational change can impact directly or indirectly upon their personal lives and the nature of their work. Its impact can be experienced through changed working conditions, benefits and future aspirations. It is for this reason that it is important that employees are able to understand the change process, analyse its effectiveness, locate their place in it and act by influencing those factors that are affecting them (Fullan 1997). According to Clarke (1999), whilst most employees may have been given limited opportunities to be involved in the development of organisational change practices, it has not necessarily hindered them from observing and thereby formulating their own views regarding change and change management in their work environment. This was also evident among employees within the SATC too. Feedback obtained from the data gathering process confirmed this. On this basis, the viewpoints of employees within the SATC formed the greater contribution to this study and contributed considerably to understanding the meaning that they attributed to the phenomenon of change and its effects upon them. As such, this study furthered the argument for the need to include a study of change from employees' perspectives in the debate around change management in public sector organisations.

It must also be acknowledged that as a phenomenon, change in some organisations is a process misunderstood by many employees, for whom there are no ready-made guidelines to an understanding of change. Employees have to struggle to understand and modify practices and processes that are complicated, in a constant state of renewal, and difficult to comprehend (Fullan 1997). It is for this reason that Dunphy and Stace (1992) emphasise the role of the employee in the organisation based on the factors influencing the forces of change,

which also include leadership style requirements. Furthermore, some public sector organisations have deviated from the traditional norms of change management and are more cognisant of the fact that turbulent and unpredictable work environments make change and chaos the natural order of things. In light of these transitions, management needs to reconsider their approaches to the organisation, direction and motivation of all employees (Daft & Marcic 2004). This is important because these organisations may need to move away from structures that are hierarchical and mechanistic. Instead, they should be based on an equitable division of labour and encourage control systems that symbolise democracy in an independent work environment, all of which are understood by the employees (Burnes 2000). Processes like restructuring, downsizing, total quality management and process reengineering all have serious implications for the operational, financial and technical aspects of the organisation. As a result, there is an ever-increasing impact of the previously mentioned processes on government sector organisations, particularly in the manner in which these organisations function (Galpin 1996).

Furthermore, both state and federal levels of government in Australia have undergone change and reform with the aim of increasing efficiency and human resource productivity (O'Donnell, Allan & Peetz 1999). South Australia's public sector has also undergone change (Review of the Office for the Commissioner for Public Employment 2004). This has also had a bearing on the tourism industry in South Australia. The SATC has had to adopt change and change management approaches based on 'managerialism' (Guthrie, Parker & Shand 1990), 'economic rationalism' (Pusey 1991), 'new public management' (Hood 1991), and 'corporate management' (Considine 1988; Gardner & Palmer 1997). These change management processes were also aligned with trends associated with corporate governance in the private sector. Non-compliance with these approaches could have resulted in the South Australian tourism industry failing to contribute to the state's gross national product. So, what we have now is the 'borrowing' of private sector practices which are now being used in the public sector. As such, there is now an urgent need for public sector employees to re-evaluate their role functions and successfully manage the introduction of change and change management practices (Fox 1974; Hood 1989; Pollitt 1993; Wright 1995).

Stemming from the discussions presented, the researcher in this study adopted an interpretive approach to best comprehend and understand employees' understanding of change and



change management within the SATC. By adopting this approach, the researcher ensured that the data analysis and findings earned their place in this case study thereby ensuring validity and were not based on the preconceptions of the researcher (Charam 2000). Also, this was in keeping with the main focus of the case study, that is, to bring employee views, experiences and realities—their understanding— of change and change management to the forefront and to use these to inform current and future processes and practices of change in the SATC.

### 1.3 General Methodology

The literature study for this case study commenced in November 2005 and concluded at the end of January 2008. Concurrently, the data gathering process was also conducted within this timeframe but in two phases. In August 2007, 92 of 180 employees within the workplace environment of the researcher volunteered to participate in the first phase of this case study. They were interviewed on an informal basis (informal conversational interviewing) regarding their viewpoints on current work processes and practices. This type of interviewing allowed the researcher maximum flexibility to pursue lines of questioning based on employees' views on current workplace practices within the SATC. Here, questions specific to the event at hand, pertaining to work processes and practices, were asked. Responses pertinent to some of the work processes and practices were noted by the researcher. In November 2007, 42 employees volunteered to participate in phase 2 of the ethnographic data collection process. Formal interviews were conducted with these employees. These interviews were approximately one to one and a half hours in duration. Here, through the use of guiding questions, the researcher was able to facilitate deeper and more meaningful discussions with participants regarding their understanding of change and change management within the SATC.

In May 2011, the researcher revisited the research site in order to enrich existing knowledge. It was also deployed as a research strategy to ascertain employees' current understanding of change and change management.

In the next subsection, the research questions are presented. It must be noted that these research questions were designed to inquire as to how employees were experiencing an event or a series of events, in this case, change management. In other words, the questions

generally sought to uncover the perspectives of an individual or a group. They were designed to capture the nuances of the lives, experiences, and perspective of others.

## 1.4 Research Questions

Primarily, the research questions focused on seeking a deeper understanding of the complex issue of change and change management from the employees' viewpoints and was guided mainly by the following questions:

1. How did employees within the SATC view processes and practices within the current work dynamics of their organisation?
2. What were employees' understanding of the definitions of change and change management within the SATC?
3. What were employees' experiences of change and change management within the SATC?
4. What were employees' understanding of the term 'resistance to change' and the reasons as to whether employees resisted change initiatives in the SATC or not?
5. What role does 'communication' play in the introduction and implementation of change and change management within the SATC?
6. What role do managers/change initiators play in the change process within the SATC?
7. How do employees view change and change management from a critical – bureaucratic or non-bureaucratic – perspective?

The secondary questions that informed the main research questions were:

1. What was the employees' expected role in the change process with regard to the change initiatives being implemented in the SATC?
2. To what extent were SATC employees afforded opportunities to contribute their expectations prior to, during and after the change process?
3. What were the contributing factors to public sector reform and organisational and managerial change initiatives within the SATC?
4. Thus, the encompassing research question for this study is: What are employees' understanding of change and change management in the SATC?

## 1.5 General Objectives

Stemming from the main research questions and the secondary research questions, the primary objectives of the study were as follows:

1. To identify employees' attitudes and perceptions – understanding – of change and change management (processes and practices) within the SATC.
2. To gauge the level of acceptance, resistance or complacency SATC employees were likely to express with regard to change.
3. To present the findings in a manner that would assist SATC employees to clearly comprehend the concept 'change' and 'change management' and related issues, thereby enabling them to better understand the 'transforming nature' of public sector organisations.
4. To analyse SATC employees' understanding of change and change management and based on this, recommend a four-step model/approach to implement change initiatives in this particular government sector agency.

## 1.6 Justification for the Case Study

This case study was justified on the following grounds:

1. It addressed gaps in the literature relating to new knowledge and practices of how public sector organisations, namely the SATC, function.
2. It was the only research conducted within the SATC to ascertain employees' understanding of issues relating to change and change management within the SATC.
3. Stemming from employees' viewpoints, it developed sound recommendations on the implementation and management of change initiatives within the SATC.

## 1.7 Limitations of the Case Study

This case study investigated change, change management and their effects upon employees using a single case study from the public sector, the SATC. Since the study only focused on the SATC, the findings are specific to a particular case, a specific location and the period between 2005 and 2008. The findings and interpretations may not be specifically applicable to other situations, as per the limitations of case study research. For example, the viewpoint/s of SATC employees could only be described, not fully explained, and some viewpoints might have involved only a single employee or just a few, and therefore may not be representative of the general group or population. The findings could, however, be used to compare with extant change management literature that could be tested with other similar public sector organisations, in other locations and at some other time.

## 1.8 Envisioned Benefits of the Study

The primary benefit of this study was to provide the South Australian government, the SATC, other public sector agencies in South Australia and public sector employees, in particular SATC employees, with the research findings, in order to objectively unravel the complexity that change and change management presents. Often the managerial jargon associated with change and the implementations of change blur the underlying intentions of those involved, thereby creating uncertainty, fear and complacency among employees. Thus, it was envisioned that the findings of this study would provide an evidence-based framework of employees' views on change and change management that might be beneficial to South Australian government change initiators as well as for government sector employees.

## 1.9 Thesis Outline

Chapter One describes the orientation to the research study.

Chapter Two discusses the underlying theories of change and change management as represented in the literature and identifies specific models of and approaches to change and change management. This chapter concludes with a discussion on employees' resistance to change.

Chapter Three discusses change in the Australian public sector context and change in the South Australian public sector including the South Australian Tourism context. It also describes an understanding of change for public sector employees.

Chapter Four is devoted to the research methodology and strategies used in developing the investigation. Reasoning for the use of qualitative methodology via the use of interviews as a data collection process is identified and justified. This chapter also discusses Burgess' (1988) use of 'purposeful conversations' as a qualitative tool for data collection. There is additional discussion on determining validity, reliability and ethical considerations necessary for a case study of this nature.

Chapter Five deals with the findings on the data obtained through 'purposeful conversations' (Burgess 1988) conducted during the informal and formal interviews.

Chapter Six provides a discussion of the findings from both a literature study and the interviews conducted in phase 1 and phase 2 of the data collection process.

Chapter Seven revisits and discusses the research questions outlined in Chapter One. In addition, a model/approach for change for the SATC is presented followed by a commentary on the different steps involved in its implementation.

## 1.10 Summary

This case study considered that the success of any change initiative lies in the understanding of that change by employees. Change in any form, irrespective of how minor, will usually face opposition of some kind. To ensure its success, change initiators within the SATC must be fully aware of the implications of change, not only to the organisation itself but to the employees concerned. Clearly when the decision to change is made, the change initiators will need to have a vision as to why it is required. Unless these visions are shared with the employees concerned, total acceptance is unlikely. To overcome this, change initiators can merge the change processes that include the 'wants' of employees as well as that of the organisation.

An interpretive ethnographic approach conducted in two phases was adopted thereby enabling findings to emerge from the realities of participating employees, and the case study was undertaken to develop the findings and provide recommendations in a way that will resonate with SATC employees.

In the next chapter, a literature review on change and change management is presented.



## CHAPTER TWO: LITERATURE REVIEW

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### 2.1 Introduction

This chapter presents a literature review of change and change management, focussing on both the external and internal environments within which some organisations operate. As stated in Chapter One, this study is concerned primarily with making sense of public sector (specifically, SATC) employees' understanding of change and change management. With this in mind, the researcher argues that management should be sensitive to any alterations of current activities in an organisation. These change activities can involve virtually any aspect of an organisation including innovative technological developments; overall organisational restructuring which could impact on the span of management, the basis for departmentalisation; and the compilation and execution of work schedules, all of which affect the people employed by the organisation (Sadler 1996). Serious repercussions may occur if proper measures are not taken to introduce the change, explain the reasons for the change and manage the change effectively. Employees, arguably those least often consulted about change initiatives, are intrinsically involved in, and capable of, analysing the effectiveness of change processes.

Thus, the researcher maintains that this case study will contribute to a greater understanding of change and change management from the employees' perspective and to a greater extent for employees with limited or no knowledge of change and change management. Some employees are also highly efficient in observing and formulating their own perceptions relating to best practice. It is hoped that this detailed discussion on change and change management will enable employees to proactively engage in change processes (Clarke 1999).

Stemming from the above, this literature review defines change and change management; discusses some key reasons for change; outlines types of change; presents some 'traditional' and 'contemporary' models and approaches to change; and focuses on employees as the recipients of change, more so in, the Australian and South Australian public sector context. In particular, the issue of resistance on the part of employees is also discussed because resistance and change are intertwined. It must be emphasised that resistance to change is a



significant issue facing management in the complex and ever-evolving organisation of today and because the 'process of change is ubiquitous, employee resistance has been identified as a critically important contributor to the failure of many well-intended and well-conceived efforts to initiate change within the organisation' (Bolognese 2002, p. 2).

In addition, this chapter presents the links between the above issues and theory on change and change management and discusses these in line with the research questions and objectives outlined in Chapter One. Furthermore, it must be noted that the literature review presented is by no means a critical analysis of change and change management but rather a review of the traditional and contemporary writings on the issue.

## 2.2 The Phenomenon of Change

For most people, a nation's well-being depends heavily on the quality and performance of its education, government and business sectors. Before the 1980s, most organisations in these sectors operated in an environment that Graetz, Rimmer, Lawrence and Smith (2002, pp. 14–15) described as 'protected ... against a backdrop of relative security, stability and predictability'. As a result, they maintain that most public and private sector organisations saw no specific reason to contribute to a particular goal of change. In contrast to Graetz et al. (2002), other writers like McHugh (1997) maintained that many public sector organisations, both national and international, were judged to be inefficient and ineffective. In order for these organisations to be effective and to improve performance, it became necessary for them to maintain a concrete base of work values and ethics, including proper strategies and work cultures. Additionally, it became important for both employers and employees to have a shared perception of change. Furthermore, it was necessary for both parties to commit to change whenever it was required (Bennett, Fadil and Greenwood 1994). Fitz-Enz (1997) endorsed this view; he argued that consistency and efficiency could only be achieved when strategy was linked to corporate culture and systems. In a similar vein, Gibson, Ivancevich and Donnelly (2000) emphasised that whilst organisational effectiveness (being more than the sum total of individual effectiveness) is determined by a multitude of factors, group effectiveness and individual effectiveness will determine organisational effectiveness, efficiency and success.

To elaborate, Bennett, Fadil and Greenwood (1994), Fitz-Enz (1997), McHugh (1997), Gibson, Ivancevich and Donnelly (2000) and Graetz et al. (2002), asserted that individual effectiveness in the form of employees' skill, knowledge, attitudes, motivation and work-related stress are factors that impact upon group effectiveness. Employees subjected to one or more of these factors tend to be more productive in the work environment (Graetz et al. 2002). However, group effectiveness, in the form of cohesiveness, leadership, structure, status, roles and norms, plays a vital role in determining organisational effectiveness and efficiency. Furthermore, organisational effectiveness is dependent upon the environment, technology, strategy, structure, processes and work culture (Gibson et al. 2000). Thus, if organisations are cognisant of the viewpoints expressed by Gibson et al. (2000) in relation to effectiveness and efficiency, and endorse change and change management, they are likely to outperform their competitors. In a study derived from public management research on performance determinants and nursing home care literature in public sector and non-public sector organisations, the findings on 14,423 facilities indicated that public sector organisations were similar in terms of quality, and performed significantly better than non-public sector organisations. It was also found that public-sector nursing homes had a significantly higher share of recipients (Amirkhanyan, Kim and Lambright 2008).

In light of the above discussion, change in the context of contemporary organisations needs to be defined at the outset. According to Kanter (1992, p. 279):

Change involves the crystallisation of new possibilities (new policies, new behaviours, new patterns, new methodologies, new products or new market ideas) based on the reconceptualised patterns in the institution. The architecture of change involves the design and construction of new patterns, or the reconceptualisation of old ones, to make new, and hopefully more productive actions possible.

Lending support to the above view, Kanji and Moura (2003, p. 292) and Lycke (2003, p. 206), state that changes can be numerous and could also include changes to procedures, structures, rules and regulations, technology, training and development and customer needs within organisations.

Kanter, Stein and Jick (1992, p. 11) considered change to be 'the shift in behaviour of the whole organisation'. In other words, most organisations are influenced by changes in the

environment that require adaptation of internal processes (Senge, Kleiner, Roberts, Ross, Roth and Smith 1999). However, adding a new dimension to the definition of change, Robbins (1990) maintained that change should not be incidental in nature. All change initiatives must be planned in consultation with employees. Dunphy (1996) had a similar view, stating that all change initiatives must be planned actively with all the relevant stakeholders. Furthermore, planned change must have a specific purpose in order for the organisation to remain in a viable state. In addition, such change should be a continuous and adaptive process in order to sway 'employees so that they buy into new ideas or shaping the formation of employees' identities so that their intuitions become consistent with the [organisational] strategic direction' (Lawrence, Dyck, Maitlis and Mauws 2006, p. 66). These writers held the view that if the organisation fails to introduce continuous and adaptive change, they will 'experience adaptation without the energy that comes from employees buying into different approaches and perspectives and reformulating their identities in ways that match the new direction' (Lawrence, Dyck, Maitlis and Mauws 2006, p. 66).

It is also important that employees be afforded key opportunities to participate in change initiatives. Zimmerman (1995) argued that employees should always be the key players in the facilitation, implementation and management of effective change because employees are directly involved in the process of change in some form or the other. It is just as important, to recognise that employees can also be the main obstacle to implementing change. Thus, in order to limit opposition to change, Swedberg and Douglas (2005) advocated the incremental change approach in organisations that face this dilemma. This approach is perceived as 'fine-tuning ... making relatively minor adjustments in a system' (Swedberg and Douglas 2005, p. 51). Likewise Nadler and Tushman (1995, p. 22) explained, incremental change as a series of minor changes, each of which 'attempts to build on the work that has already been accomplished and improves the functioning of the enterprise in really small increments'. Proponents of this approach to change see incremental change as a normal and ongoing process occurring in both private and public organisations. This type of change fosters more effective ways of getting employees to work in collaboration and accord, eventually resulting in the organisation performing more efficiently and effectively (Swedberg and Douglas 2005; Quinn 1996; Nadler and Tushman 1995). Whilst this approach is favoured by some organisations (Swedberg and Douglas 2005), other writers like Quinn (1996) see no merit in

its use. Quinn (1996, p. 3), maintained that this type of change ‘is usually limited in scope ... [it] usually does not disrupt our past patterns ... it is an extension of the past’. However, in spite of the latter criticism, Swedberg and Douglas (2005) stated that some organisations favour the incremental change approach because it is a normal and ongoing part of any effective organisation. As employees work together, better ways of working together emerge to help the organisation run more smoothly, effectively, and efficiently.

Furthermore, in some organisations, the continual ‘fine-tuning’ of processes (Swedberg and Douglas 2005) could mean creating better ways to involve employees in organisational processes or improving employees’ access to one another and providing meaningful information about the organisation. These incremental changes, which might involve many resources, in time may lead to a fundamental shift in an organisation’s way of doing business, as well as doing particular tasks better. Thus, incremental change involves the kind of ‘constant tinkering’ that all effective and efficient organisations continually engage in to ‘improve the fit among the components of the organisation’ (Nadler and Tushman 1995, p. 22). Organisations choosing not to engage totally in incremental change sometimes implement the following types of change:

- fundamental – the implementation of a standards-based approach which necessitates dramatic changes in the organisation;
- transitional – this involves the slow evolution of the organisation through the introduction of mergers, new processes or technologies; and
- transformational – the organisation rethinks its mission, culture, activities and critical elements of success.

Thus, because of the many types of change that an organisation can make, it is imperative that organisations give serious thought to the kind, depth and complexity of the necessary changes before implementing them (Dervitsiotis 2003, p. 261).

Harvey and Brown (1996) offer another viewpoint of change. They suggest organisations that eschew change must be able to sustain a stable identity and achieve operational goals. For successful change to occur, organisations are required to foster good coordination, strong leadership, and clear communication in order to exploit and develop their resources (Ford and

Saren 1996). For these relationships to develop, organisations must acknowledge that relationships are symbolic of living structures with inherent dynamic features and are characterised by continuous change processes.

Senge et al. (1999, p. 15), viewed change as 'profound' when organisations 'build capacity for ongoing change' by getting to the 'heart of issues' that primarily focus on the thinking behind the change processes instead of processes favouring structural and strategic changes. Thus, according to these writers, change must also take into consideration values, fears, behaviours and the aspirations of all stakeholders involved in the change process. De Jager (2001, p. 24) stated that:

Change is a simple process. At least, it's simple to describe. It occurs whenever we replace the old with the new. Change is about travelling from the old to the new, leaving yesterday behind in exchange for the new tomorrow. But implementing change is incredibly difficult. Most people are reluctant to leave the familiar behind. We are all suspicious about the unfamiliar; we are naturally concerned about how we get from the old to the new, especially if it involves learning something new and risking failure.

According to this view, change does involve moving from the known into the unknown and because the future is uncertain it may adversely affect employees' competencies, their sense of worth and coping abilities. It must be realised that most employees do not support change, unless compelling reasons convince them to do so. Thus, for change to be successful, it must involve amongst other factors, vision, mission, communication, strong leadership, participation and culture. To elaborate, vision involves developing a future picture of the organisation (Hamel and Prahalad 1994); mission helps to set the scene for organisational change (Senge and Roberts 1994); communication and strong leadership are pivotal in preparing the organisation for change as it guides the organisation through turbulent phases (Handy 1996); participation involves giving all stakeholders a fair say in the change process (Zand 1997); and organisational culture is a shared understanding of the workings of the organisation and influences change initiatives (McAdams 1996). In other words, change is a way of life that organisations must face in order to maintain a competitive advantage in both private and public sector environments. Thus, to foster the development of positive relationships, organisations must realise that it is important to have an integrated approach to any change program that involves combining structural, technological and behavioural approaches (Harvey and Brown 1996, p. 410). With respect to public sector organisations, the

Office for the Commissioner for Public Employment (OCPE), in its 2004 report (*Review of the Office for the Commissioner for Public Employment 2004*, p. 14), identified five significant risks facing the public sector in the next five to ten years:

1. Inadequate governance and accountability frameworks.
2. Continuation of the current public sector human resource management [policies].
3. Insufficient public sector employees in key areas.
4. An imbalance in the skills of the Public Sector necessary to meet its future obligations.
5. Inflexible employment systems.

The OCPE suggested the adoption of an integrated approach to change in order to reduce the negative consequences and likelihood of the risks identified in the 2004 report. It also stated that the public sector was required to implement whole-of-government policy that cut across the traditional portfolio boundaries. Thus, it necessitated a public sector with the following traits: professional, accountable, independent, frank and fearless, collaborative, multi skilled, flexible, responsive, continuously improving, cooperative, strategically focused and outcome-driven (*Review of the Office for the Commissioner for Public Employment 2004*). Furthermore, the OCPE acknowledged that the South Australian public sector was responsive and adaptive to the ever-changing landscape of reform and was intent on introducing change initiatives bent on reforming the public services (*Review of the Office for the Commissioner for Public Employment 2004*). In 2006, the Labor government had appointed Wayne Goss, the former Queensland premier, to ‘modernise the public sector, and make it more efficient’ (Greg Kelton *The Advertiser*, 28 June 2006. p. 4). According to Mike Rann, the Premier of South Australia, the Government Reform Commission’s terms of reference included:

1. Reviewing decision-making processes to improve efficiency and streamline public services.
2. Cutting regulation and compliance costs.
3. Lifting public sector performance, building new skills and rewarding excellence.
4. Achieving greater flexibility and mobility of people and functions across the public sector so people could work in areas where they were needed most.
5. Building a greater service culture in the public sector. (The Advertiser 28 June 2006, p. 4).

Whilst the Reform Commission's terms of reference were clearly stated, Mike Rann made no specific reference to the manner in which these were to be achieved. At this juncture it must be stated that a positive public sector working environment is one that aligns all elements of workforce planning and business strategies with organisational objectives. According to Machin and Bannon (2005), the nature of the work environment plays a key role in determining the levels of commitment to organisational change. It is for this reason that government change initiators must determine, prior to the introduction of change, how they are going to respond proactively to public sector needs whilst at the same time leading their organisations through the times of change ahead. Thus, they need to be committed to creating a positive working environment in order to achieve the 'holy grail' of employee commitment to a continuous process of change.

Stemming from the above discussions, it can be concluded that there are a range of differing emphases or perspectives making *change* a rather elusive term to comprehend, thereby making it difficult to describe with accuracy. From the public sector employees' perspective, most have either experienced change themselves or have a close association with somebody who has. However, anecdotal evidence from a wide range of employees, collected within the organisation during formal and informal conversations with employees, suggests that, in the main, many had a limited understanding of the phenomenon of *change*. With this in mind, this researcher maintains that whilst change is integral to any organisation, the need to recognise its role within the overall context of organisational life is imperative. Employees need to understand what change is and the manner in which change processes can alter existing frameworks that impact upon relationships in the organisation. This is vital in developing a broader understanding of the change, the change process and the change environment (Lowendahl and Revange 1998).

In the subsection above, the researcher provided an array of differing viewpoints on the phenomenon of change; the intent being to illustrate the difficulty in clearly defining change. As stated in Chapter One, one of the research questions was closely related to employees' understanding of the concept of *change*, namely, 'What were employees' understanding of the definition of change?' In addition to this, the researcher also wanted to ascertain the level of understanding or knowledge possessed by employees with regards to other related aspects of change, that is, the reasons for change; models of change; approaches to change; and

resistance to change? Thus, the purpose of the above subsection was to show the difficulty that some employees might encounter in coming to grips with an understanding of the phenomenon of change. In the next subsection, a brief overview of change management is presented. The researcher maintains that this discussion is important because any degree of change, both in private or public sector organisations, needs to be managed effectively for the change to succeed. .

## 2.3 Change Management – A Brief Overview of the Field

Change management, according to Szamosi and Duxbury (2002), is an integral part of life and is a constant in most organisations. Some public sector organisations, for example the SATC, face competition from other government funded tourism commissions nationally and internationally. In this particular case study, it has become necessary for the SATC to manage change effectively in order to maintain its competitive advantage both nationally and internationally. Burnes (1996a, 1996b) maintains that organisations that effectively manage change have a greater advantage over their competitors. However, according to Stewart and Kringas (2003), ‘change management, like ‘change’, is a difficult term to define. Thus, the term ‘change management’, according to Stewart and Kringas (2003, p. 2), has become ‘an ubiquitous theme in management literature’. However, in spite of this label, Pettigrew, Woodham and Cameron (2001, p. 697) stated that change management has become ‘one of the great themes in the social sciences’.

According to Nickols (2004, p. 1) the term ‘managing change’ has two meanings, both ‘the making of changes in a planned and managed or systematic fashion’ and ‘the response to changes over which the organisation exercises little or no control’. In this sense, the need to identify organisation-wide change has become one of the most critical and challenging responsibilities of organisations (Pettigrew, Woodman and Cameron 2001). This was less evident in the past, where organisations controlled their own destinies and operated in what Beckhard and Pritchard (1992) describe as a relatively stable and predictable environment. This is in contrast with the manner in which some present day organisations operate. Writers, like Kotter (1996), Mead (2005) and Sheil (2001) maintain that currently, factors like balance sheets, locations, organisational culture and structure control the destinies and operations of some organisations. Kotter (1996) elaborates on this point by maintaining that organisations



are now facing different challenges imposed by globalisation thereby influencing the manner in which they are 'controlled'. Control has now become a more arduous task than in the past. To explain, if globalisation is to be described as a process that has eroded the influence of national institutions and the restriction of borders, then it could be argued that globalisation has resulted in the transformation of relations between countries, regions and organisations (Mead 2005). However, it must be stated that Mead's (2005) view could be construed debatable because those advocating globalisation would consider this view as a simplification of the process. For writers like Corsi (2000), Dierks (2001) and Richardson (2002), globalisation has done more than just transforming relations between countries, regions and organisations. These writers maintain that globalisation has opened up social, economic and political boundaries currently in place in affected organisations.

Likewise, Sheil (2001, p. 11), offered a more comprehensive understanding of the term, stating that globalisation has resulted in:

...an increasing consciousness of the organisation of finance, investment, production, distribution and marketing in ways that pertain to or embrace the world; a phenomenon that has both reinforced and been reinforced by the wider, more longstanding but continuing history of technological developments that have reduced the significance of geographic space.

Whilst proponents of globalisation, for example, Corsi (2000), Dierks (2001), Sheil (2001) and Richardson (2002) argued the benefits of the process, Kotter (1996, p. 18) posited the argument that while creating greater opportunities for organisations, globalisation has also resulted in the creation of numerous business hazards. As a result, organisations have been forced to make and manage improvements in order to compete with other similar organizations, not only to prosper but also in order to survive. He also maintained that 'globalisation ... [is] driven by a broad and powerful set of forces associated with technological change, international economic integration, domestic market maturation ..., and the collapse of worldwide communism' (Kotter 1996, p. 18). This view was supported by Burke and Trahan (2000, p. 11) who wrote: 'globalisation ... is accelerating the pace of commerce throughout the world today – in virtually every industry [resulting in] disruptive phase shifts in how business is conducted'. In essence, both the viewpoints of Kotter (1996)

and Burke and Trahan (2000), imply that for organisations to gain the competitive edge over their rivals, there has to be effective change and change management processes in place.

These processes can involve elements of organisational structure and culture, as described by Beckhard and Pritchard (1992), Kotter (1996), Burke and Trahan (2000), Sheil (2001), Nickols (2004) and Mead (2005). Elements could consist of balance sheets; organisational locations; organisational culture; organisational structure; organisational control; transformational relationships; technological developments. It must be stated that the nature and degree of transformation will be dependent upon the needs of the organisation. This will mean that some organisations might embrace transformational change and in doing so must have effective processes and practices in place to manage those changes. Thus, one of the primary functions of management is to devise efficient and effective ways of promoting change in the organisation whilst at the same time encouraging all employees to accept the change. In other words, it is a process of seeing to it that organisational goals are met by using properly the resources of the organisation. Any degree of transformation implemented will also impact upon the culture of the organisation (Porras and Robertson 1992). In this context, culture may be defined as:

A pattern of basic assumptions ... that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein 1985a, p. 9).

Porras and Robertson (1992) stated that maintaining lasting change is no easy task, as most organisations comprise of more than one culture, thereby making change management difficult. Thus, for lasting change, it is necessary for organisations to strive to change the behaviours, rites, rituals and values of individuals in organisations. Implementing and managing change in organisations however can be both messy and ambiguous and the process does not resemble well-oiled machines as is often depicted in the literature (Bolman and Deal 1997). Bolman and Deal (1997), supported by Palmer and Dunford (1996), have likened organisational environments to dinosaurs. The latter writers argued that, like dinosaurs, some organisations are cumbersome, slow to adapt and prone to extinction. Furthermore, they also compare some organisations to leaking boats that are doomed to sink. Thus, to prevent failure, organisations should be clear about why they want change to happen; what is it about the organisation that warrants change; what techniques can be used

to bring about lasting change;, and how to deal with challenges that change and non-change may bring (Palmer and Dunford 1996). Furthermore, Palmer and Dunford (1996) also noted that many organisations implement change as a two-fold process: incremental or transformational, thereby emphasising the importance of clear well-thought out change management processes and practices.

Being a process, change management presents challenges when attempting to measure its effects in an organisation. Organisations engaging in the measurement of the effects of change may temporarily halt some of their processes at any given time if these are proving to be unsuccessful, though it can still be possible to accurately measure the effects of change. For example, the effects of change on individual attitudes can be measured by the use of formal and informal interviews (Sarantakos 2005). The use of interviews to ascertain employees' understanding of change and change management will be discussed in detail in Chapter Four.

As discussed previously, Kotter (1996, pp. 3-4) argued that change has helped some organisations adapt, from a management perspective, to both the micro and macroeconomic forces currently prevailing; to achieve a competitive advantage in relation to their competitors; and has provided a few organisations with a stable positioning for the future. He also points out that in many organisations change management has been less than successful resulting in 'wasted resources and burned-out, scared, or frustrated employees' (Kotter 1996, p. 3). To substantiate, Kotter (1996, p. 16) elaborates eight errors that have significantly contributed to the downside of change management, namely:

- Allowing too much complacency in the organisation;
- Failure to create clear and powerful guidelines;
- Restricted vision in terms of future planning;
- Lack of communication in the organisation;
- Failure to deal with problems immediately as and when they arise; concentration on long term gains at the expense of short term benefits;
- Acknowledging change victory sooner than it is achieved; and
- A failure to firmly anchor changes in the corporate culture of the organisation.

To remedy these errors, Kotter (1996) suggested the following:

- The management of change practices and strategies should be well implemented;
- All acquisitions must be planned to be in keeping with the expected outcomes (synergies);
- Re-engineering should occur in the shortest space of time for the change to be effective, be cost effective and aligned closely to the change;
- Downsizing should occur in a controlled and cost-saving manner; and
- Quality programmes should be carefully selected so that the organisation will achieve the desired end results.

Thus, for organisations to survive in the 21st century, they must shift from traditional practices of management, as highlighted by Kotter (1996) to contemporary practices characterised by attributes commonly described as vision; contemporary values; quality mindset; stakeholder focus; speed orientation; innovativeness; flat structures; cross-functionality; flexibility; global focusing; and networking (Wind and Maine 1999).

Change management can be seen as a generative process that changes according to organisational needs whilst still maintaining its overall vision. Beckhard and Pritchard (1992, p. 14), maintain that change management is most effective when learning and change processes interact positively with each other and when both employers and employees realise that 'change is a learning process and learning is a change process'. A similar viewpoint is also emphasised by Nadler and Tushman (1995) who maintain that organisations are made up of many differing parts, providing a range of interrelated and differing challenges to all employees. According to these writers, the four main components of an organisation are:

*People:* This comprises the employees' behaviour, knowledge, skills, needs, perceptions, expectations, background, demographics and experiences that are brought into the organisation.

*Work:* This refers to the basic and inherent tasks to be done by the organisation and its units. It may include the activity in which the organisation is engaged, particularly in light of its strategy.

*Informal organisational arrangements:* These are the implicit and unwritten arrangements (also known as ‘organisational culture’) that sometimes complement formal organisational arrangements. They also involve the common values and beliefs and the new relationships that develop within and between groups, communication, influence and political patterns that combine in the creation of the informal organisation.

*Formal organisational arrangements:* These arrangements include structures, systems, processes, methods and processes formally developed to enable employees to perform tasks consistent with organisational strategy, as well as mechanisms for control and coordination, human resource management, reward systems, job design and work environment.

Nadler and Tushman (1995) stated that for change management to succeed, the view that organisations are simply about the ‘task’ must be ignored. Rather, emphasis should be directed to the range of formal and informal arrangements that are influenced by those that action them, namely, the employees themselves. Employees operate in ‘complex adaptive systems’ that bring all the formal and informal components into simultaneous action through constant adaptation within and between organisational systems (Stacey 1996). Also, Waterman (1987, p. 218) stated that:

Organizations as entities are complex beings. To understand organizations, you can’t just look at the one way. They are rational decision-makers. They are ‘irrational’ creatures of habit. They are ‘irrational’ (and unpredictable) products of internal politics and power.

Thus, in order to avoid serious repercussions in relation to change management, the employee, group or organisational system should not be treated exclusively or simplistically. Wheatley (1994, p. 3), writing on change management, stated that ‘the layers of complexity, the sense of things being beyond our control and out of control, are but signals of our failure to understand a deeper reality of organizational life, and of life in general’.

## 2.4 Reasons for Change

The discussion on reasons for change is important in this research because one of the major areas of inquiry was directly related to this aspect of change and change management. Do employees within the SATC know why the organisation engages in change? What are the

underlining principles that determine the direction change should take? The literature review presented in this discussion on the reasons for change will assist in analysing the data collected in an attempt to comprehend employees' understanding of change and change management.

Why change? According to McMillan (2004, p. 1), 'too many current approaches to organisational change are drawn from a world view that is no longer consonant with the early twenty-first century'. Whilst conventional definitions of organisations and the manner of managing them suited stable conditions, the same cannot be said for current times. Presently, most organisations are faced with uncertainties that are synonymous with the modern world brought about by globalisation and modern technology. Tetenbaum (cited in McMillan 2004, p. 1) described six factors that are responsible for the changes occurring in the modern world and organisations alike, namely:

1. New technologies that have transformed communications, electronics, consumer markets and speeded up industries;
2. Globalisation, which has resulted in a world that is evermore connected and interdependent as information, money and goods move around the planet;
3. Globalisation and new technologies, which together have sharpened competition and precipitated the rise and fall of market leaders;
4. New change processes and practices, which are now happening faster than ever before in our known history;
5. Speed – an incredible increase in technological speed is matched in business (product life cycles are measured in months not years) and in people's lives (most of us feel we are running as fast as we can merely to stay in place); and
6. Complexity and paradox which are increasing as a result of all these changes and are making more and more difficult demands on managers used to seeking certainties and 'either/or' type solutions in order to bring about the ideals of stability and order.

Stemming from the factors outlined by Tetenbaum above, it must be noted that change can occur as a result of either external or internal forces or a combination of both (Nadler 1988). Harris (1997) argued that external forces may still be influenced by political factors existent

in the past and present at the current time. For example, the government in power might adopt new policies that will impact upon the types of change chosen. To elaborate, in the South Australian context, the former Premier, Mike Rann, stated that the public sector will only improve if it 'remains creative and innovative; works closely with business, industry and the community; accepts change as a constant; looks outward; and if it's bold and positive' (Institute of Public Administration 2005, p. 13). His views are in keeping with prevailing changes characterising current public sector reform.

The economic environment also has a key influence on the type and nature of change. Here, 'economic rationalism', a regulated market economy, privatisation and private sector competition have a profound influence on change. To this end, the South Australian government has 'regained a "triple-A" credit rating through disciplined budgeting, not privatisation; [the] economy has been growing at above the national rate; and [the] level of unemployment fell to a record low of 4.9 per cent' (Institute of Public Administration 2005, p. 7).

According to Harris (1997, p. 42), social factors as well as technological forces also play an influential role regarding change. The use of computer technology, global communications, out-sourcing of services and new methods of shopping via cable, satellite and the Internet impact upon change. It must also be emphasised that there are also other external factors that 'create enormous pressures on [organisations] requiring them to respond as quickly as possible or, more importantly, to anticipate change and hence adopt appropriate strategies in anticipation of these changes'.

Elaborating on other factors affecting change, Harris (1997, p. 42) suggests that the behaviour of competitors and the current state of the market may entice organisations to bring about change. However, mergers with rival organisations or 'to integrate ... with a components supplier may be driven by the desire for more secure supplies ... [to] provide a better base for expansion into foreign markets'. In emphasising the importance of internal factors in the change process, Harris (1997) also cites the example of threats to United Kingdom banking. Banks in the United Kingdom faced threats from internally driven factors as a result of what was perceived as weak management and the lack of proper risk control measures. Ironically, none of the external factors discussed previously contributed to the threats faced by the

banking fraternity. Some of the internal threats faced by the banks, according to Harris (1997, p. 43) were 'bad lending, slack internal controls, concern with size rather than profitability and unwise mergers and diversification'. Organisations are subject to change from four basic influences: environment, diversification, technology and people. The 'environment' comprises the social, political and legal activities that influence daily organisational operations. 'Diversification' refers to business outputs aimed at meeting customer demands and responding to industry competition. 'Technology' encompasses not only the way business is conducted but also the automation of existing practices. The final influence is 'people', encompassing new and shifting skill demands as a direct outcome of new organisational requirements (Tichy 1983). The SATC, together with other public sector organisations in Australia, is subjected, to some extent or the other, primarily by these four influences. As a result, the organisation's reasons for change may vary from other public sector organisations because of the difference in the strategic plans. These strategic plans are also dependent government budgetary allocations for their funding. Linked to the issue of funding, the provision of services and goods by and for the government differs from one public sector organisation to another, resulting in different reasons for and different types of change being implemented (UNECE 2005). However, in spite of the previously mentioned influences, the SATC must endeavour to meet the basic strategic course of the organisation; it must produce fundamental changes in vision, mission, and strategy, and necessitate change that can more fully integrate employee needs with organisational goals (Nadler and Shaw 1995). For example, any change introduced should lead to greater organisational effectiveness through better utilisation of resources, and the change should provide more involvement of employees in decision making that affect them and the conditions of work (Burke 1982).

Thus, organisations need to consider the reasons for wanting change and when implementing change, consideration should be given to models or approaches that will ensure successful change in that particular public sector organisation.

In the next subsection, some models and approaches to change and change management are discussed.



## 2.5 Models of and Approaches to Change and Change Management

This discussion on models and approaches to change and change management is important in that it sets the scene for change interventions in organisations, be it either public or private. To elaborate, change interventions fall into three main types:

Top-down change management is based on the assumption that if initiators of change plan things properly, change can be executed smoothly. The only obstacle comes from resistance of some employees, hence the focus is on changing the culture of an organisation or the ‘way we do things around here’.

Transformational change management relies on transformational leaders setting a personal example and challenging people to think ‘outside the box’ and innovate, while providing a safe environment for doing so.

Strategic change management is based on a certain recipe and is in contrast with the top-down models in that it aims to introduce new behaviours at work, allowing employees to witness the benefit for the organisation and, thus, based on the evidence, internalise the change in their ‘ways of working’ (Hait and Creasey 2003).

Each of these approaches can be effective, depending on the situation, although it is generally accepted that the first category is often the category that fails the most. All approaches highlight the importance of leadership, communications and involving employees in the change process. Thus, the key challenge for organisations is to match the model to the context (Burnes 1996a).

According to the literature, some confusion exists about the definitions of ‘models of change’ and ‘strategies of change’ (Mintzberg 1979; Aldrich 1979; Johnson and Scholes 1993). Sadler (1996, p. 49) maintains that a strategy adopted by an organisation is a means of attaining the focal objective set by the organisation. In other words, ‘it is the means chosen for the achievement of purpose’. It encompasses, primarily, a mission; a vision; a strategic position; specific objectives, goals and key values; strategy; long-term and operational plans;

and tactics (Harper 2001). Any model of change, on the other hand, refers to assumptions and beliefs that, when combined in a systematic fashion, results in some form of change in the organisation (Tichy 1993). Thus, change models are the frameworks upon which strategies are built and implemented.

### 2.5.1 Some key traditional models of change and change management

A variety of models and theories exist in the literature for implementing change in public sector and private sector organisations. Coupled with models of change is the issue of approaches to change. In this discussion, four models of change that demonstrate the fundamental approaches that aid an understanding of the nature of change processes and the basis for successful change implementation is presented. Models of change, as opposed to strategies of change, are best presented as basic frameworks that guide the strategies for change to be implemented in the organisation. According to Tichy (1983, p. 38), ‘the use of the term “model” refers to a set of assumptions and beliefs which together represent reality’. Stemming from this definition, some key traditional models of change are discussed.

#### ***2.5.1.1 The planned approach to organisational change – Kurt Lewin’s model of change***

The planned approach to organisational change emerged through the work of Kurt Lewin (1951) relating to group decision-making, implementation and social change. For Lewin (1958), a major concern was the issue of group conduct. He observed that the behaviour of individuals differed from group to group. Thus, in an attempt to understand the uniformity of some groups’ behaviour against others, he was able to argue that people may come to a group with very different reasons, but if they share a common objective, they are more likely to act together to achieve it. He maintained that there was a need to change group conduct so that it would not revert to the old level within a short time. In support of Lewin’s theory, Burnes (2004, p. 311), suggested that ‘only by resolving social conflict, whether it be religious, racial, marital or industrial, could the human condition be improved’. Hence, Lewin’s theories were premised on the fact that planned change, through learning, would enable individuals to understand and reframe their views on how to resolve social conflict.

Lewin's work resulted in a model that views change as a three-step procedure illustrated in Figure 2.1.

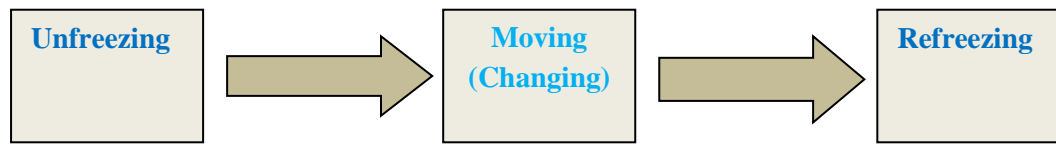


Figure 2.1 Lewin's Model of Change

Source: Adapted from Lewin (1951)

From Lewin's work resulted a model that views change as a three-step procedure. This three-step model is associated with intentional change in the organisation and change initiators may choose to use a range of strategies to implement the intended change (Branch 2002). According to Harper (2001, p. 9) the three steps are *unfreezing*, *initiating the change (moving)* and *refreezing*.

To elaborate, in the unfreezing step, employees break away from the way things have been done. In organisations, for effective change to occur, employees must embrace new work practices with a sense of urgency. In order to achieve this, employees are encouraged or are forced to distance themselves from comfort zones that they were accustomed to so that they acclimatise to new work practices, even if there is uncertainty regarding their future. Similarly, Harper (2001, p. 10) argued that organisations that are implementing change management should encourage employees to abide by a plan that allows for the 'sloughing of yesterday' because 'it will force thinking and action ... make available men and money for new things ... create a willingness to act'.

However, this process has drawbacks, like anxiety and risks associated with uncertainty that can lead to unconstructive rather than constructive behaviour on the part of employees. These behaviour patterns have been noted by Argyris (1993) who observed that employees tend to become anxious while performing new tasks, not knowing the outcomes of the change if the change is not yet initiated.

In step two (initiating the change), employees engage in activities that identify and implement new ways of doing things or engage in new activities in order to bring about change. In this respect, Harper (2001) proposed that for effective change to take place, management must ensure that all relevant stakeholders are given the opportunity to be engaged in decision-making and problem solving in a collaborative manner. Whilst the latter was predominantly the role of management, the current thinking is that employees who become involved are most likely to accept change and become committed to making change a success. A better understanding of the needs and benefits of change may result in little or no resistance on the part of change recipients.

In the third and final step (refreezing), the emphasis is on the reinforcing of new processes and tasks in the organisation by the employer. For this step to be successful, employees must be acknowledged, as reward is an important consideration. Reward is crucial for behaviour modification. Employees should receive appropriate recognition for changes in behaviour if they embrace or accept the change. In this instance, reward serves to recognise that the new behaviour is valued and prevents previous behaviour from reoccurring (Harper 2001).

Thus, according to Branch (2002, p. 4), Lewin's model of organisational change can be accomplished in three ways:

- Changing the individuals who work in the organisation (their skills, values, attitudes, and eventually behaviour) – with an eye to instrumental organisational change;
- Changing various organisational structures and systems – reward systems, reporting relationships, work designs; or
- Directly changing the organisational climate or interpersonal style – how often people are with each other, how conflict is managed, how decisions are made.

Lewin's model focussed on the interdependence and ordering factors within a relationship. In the context of the organisation, this meant that there was a process of dependence among the different units and subunits within the organisation. Also, the level of dependence was based on the importance of the various units within the organisation. However, a major drawback of this model is that it is based on the assumption that organisations operate under stable conditions and can move from one stable state to another in a planned manner, meaning this

model might not be useful in more turbulent and chaotic business environments.

Furthermore, within the context of organisational change, several other criticisms were also levelled against Lewin's planned approach to change. The main criticisms were:

- The planned approach is too simplistic and mechanistic in the present climate of organisational change. Critics point out that organisational change is a continuous and open-ended process (Dawson 1994; Pettigrew 1990a, 1990b; Stacey 1993; Wilson 1992).
- This approach is only beneficial when incremental change is introduced in an organisation and has relevance only for isolated change projects. Lewin's work fails to incorporate radical, transformational change (Dunphy and Stace 1992, 1993; Harris 1985; Miller and Friesen 1984).
- Lewin's work ignores the role of power and politics in organisations and the nature of conflict existent in organisational life (Hatch 1997; Pettigrew 1980; Pfeffer 1992; Wilson 1992).
- This approach advocates a top-down, management-driven approach to change and ignores situations requiring bottom-up change (Dawson 1994; Kanter, Stein and Jick 1992; Wilson 1992).

In summary, stemming from readings of the literature on Lewin's models, the researcher is of the opinion that Lewin's model provides a useful framework for understanding organisational change but it is sometimes misinterpreted by organisations and is used solely as an implementation plan. Nevertheless, as a model it has provided a view that has enabled some managers to consider change and to commence the development of such a plan.

#### ***2.5.1.2 The contingency model of change - Dunphy and Stace's model of change***

Expanding upon the three-step model as espoused by Lewin, Dunphy and Stace (1988, 1992, 1993) investigated change from an organisational transformation perspective. Within this perspective, Dunphy and Stace (1993) maintained that organisations needed a model of change that was essentially a 'situational' or 'contingency model'. This model should be one that indicated how to vary change strategies to achieve 'optimum fit' with the changing

environment (Dunphy and Stace 1993). Furthermore, these writers state that the contingency model to change is based on the theory that situational variables determine the structure and performance of organisations and because no two organisations are alike, they will not face the same situational variables. Invariably, this may impact upon their operations and structures (Dunphy and Stace 1993).

The model developed by Dunphy and Stace includes both the formulation and implementation requirements of various types of change and leadership styles. Their typology of change and conditions for use is shown in Figure 2.2.

Incremental Change Strategies	Transformational Change Strategies
<ul style="list-style-type: none"> <li>• Participative evolution</li> </ul> <p>Used when an organisation is in fit but when minor adjustments are needed; or the organisation is out of fit but it has time available to implement change. Key employees <b>favour</b> change.</p>	<ul style="list-style-type: none"> <li>• Charismatic transformation</li> </ul> <p>Used when the organisation is out of fit and there is little time for extensive participation. However, most employees <b>support</b> radical change in the organisation.</p>
<ul style="list-style-type: none"> <li>• Forced evolution</li> </ul> <p>Used when the organisation is in fit but when minor adjustments are needed; or the organisation is out of fit but it has time available to implement change. Key employees <b>oppose</b> change.</p>	<ul style="list-style-type: none"> <li>• Dictatorial transformation</li> </ul> <p>Used when the organisation is out of fit and there is no time for extensive participation. There is <b>no support</b> for radical change within the organisation although radical change is important for the survival of the company.</p>

Figure 2.2: Dunphy and Stace's Typology of Change

(Source: Adapted from Dunphy and Stace 1992, p. 90)

Dunphy and Stace's (1988, 1992) model of change is more situational in design and supportive of the view that 'that the selection of appropriate types of change depends entirely on a strategic analysis of the situation' (Dunphy and Stace 1992, p. 90). These authors also maintained that change does not always occur on an incremental basis, but can also occur on a discontinuous basis. They also suggested that transformational change is not only consultative but is also coercive in nature.

A major criticism of this model, in this researcher's view, is its dependency on the interpretation of the model by change initiators and implementation, in that change may be influenced more by the style of the 'change driver' than by an effective organisational change analysis. If the 'change driver' has a collaborative leadership style, then employees would be allowed power, either through formal or informal process, significant enough to influence both the goals and means of change. If the 'change driver' is characterised by a consultative style of leadership, power would be placed more firmly in the hands of managers and would involve managers consulting widely among employees and being open to influence from employees about how change is affected. If the 'change driver' is characterised by a directive style of leadership, this would involve the use of legitimate authority to bring about organisational change, being most effective when subordinates respect this authority.. If the 'change driver' adopts a coercive style of leadership, this would involve using explicit or implicit force by managers on employees, and an autocratic mode of decision-making.

#### ***2.5.1.3 The emergent approach to organisational change – Kotter's model of change***

The emergent model of change was the response to criticisms levelled against the planned model of change. This approach has been given a number of different labels, such as continuous improvement or organisational learning (Burnes 1996a). The model views 'change as driven from the bottom up rather than from the top down, and stresses that change is an open-ended and continuous process of adaptation to changing conditions and circumstances' (Burnes 1996b, p. 13). The approach suggests change to be so rapid that it is impossible for senior change initiators to effectively identify, plan and implement the necessary organisational changes (Kanter, Stein and Jick 1992). Therefore, the responsibility for organisational change has to become increasingly devolved (Wilson 1992).

This approach to change also stresses that change should not be perceived as a series of linear events within a given period of time, but as a continuous, open-ended process of adaptation to changing circumstances and conditions (Burnes 1996b; Dawson 1994). According to Burnes (1996b, p. 14):

the emergent approach promotes 'extensive and in-depth understanding of strategy, structure, systems, people, style and culture, and how these can function

either as sources of inertia that can block change, or alternatively, as levers to encourage an effective change process.

Furthermore, Burnes (1996b, p. 13) maintained that the success of change should be less dependent on detailed plans and change initiatives. Rather, emphasis should be placed on reaching an understanding of the complexity of the issues concerned with the change and identifying the range of available options. In other words, what Burnes (1996b) was suggesting was that this approach to change should focus more on change readiness and the means of facilitating the proposed change. A specific pre-planned step for each change initiative becomes secondary.

Dawson (1994), Wilson (1992) and Mabey and Mayon-White (1993), state claimed that the emergent approach to change is associated with learning processes and is not just a method of changing organisational structures and practices. Thus, an organisation's ability to learn and adapt may also influence the success or failure of the change management program. Also, because there are no set rules for leading and managing change, several proponents of the emergent approach, for example, Kotter (1996) suggested sequences of actions that organisations can adopt (Pettigrew and Whipp 1993).

Kotter's model (1996, pp. 133-145) advocates eight steps in the change process: 'establishing a sense of urgency; creating the guiding coalition; developing a vision and strategy; communicating the change vision; empowering employees for broad based action; generating short-term wins; consolidating gains and producing more change; and anchoring new approaches in the culture'. These steps are illustrated in Figure 2.3 below.



Figure 2.3 Kotter's 8 -Step Model of Change

(Source: Adapted from Kotter 1996)



According to Burnes (2001, pp. 280; 296-297), these eight steps were considered to be a process by Kotter and not a checklist. Furthermore, Kotter claimed that most major change efforts consist of a variety of small and medium-sized change projects. He also maintained that the emergent approach is a result of the assumption that 'change is a continuous, open-minded and unpredictable process of aligning and realigning an organisation to its changing environment'. As a result of this, the emergent approach to change has become very popular among organisations in the contemporary world because it recognises the fact that organisations must adapt their internal practices and behaviours to meet changing external conditions (Burnes 2001).

However, Kotter's model is not devoid of criticism, and the Eight-Step Change Model has many disadvantages as well as benefits. It has the advantage of being a step-by-step model, which is easy to implement. However, for the model to be successfully implemented, all of the eight stages must be worked through in order, and to completion. Skipping even a single step or getting too far ahead without a solid base almost always creates problems. Failing to reinforce earlier stages results in the sense of urgency dissipating, or the guiding coalition breaking up. Without the follow-through which takes place in the final step, the organisation may never get to the finish line and make changes stick. Furthermore, the model should not focus on the change itself, but rather the acceptance and preparedness for this change, which makes for easier transitions. However, it is a disadvantage that no steps can be skipped or the change process will completely fail. Furthermore, implementing change is a time-consuming process (Rose 2002).

In summary, the researcher is of the opinion that Kotter's model is a simple model to implement in some organisations and it could 'fully' prepare the employees of the organisation for change before the vision is even created, which makes the actual transition much easier in the long run. Also, it would appear that there are fewer disadvantages to this model than other models of change. Overall, this model could be the best fit for 'most' organisations because substantial change might be needed for the different divisions of the organisation and a step-by-step approach would be most beneficial. However, as stated earlier, the successful implementation of the model is dependent upon the eight steps being worked through in an orderly manner and fully completed.

#### **2.5.1.4 Mintzberg and Quinn's model of change**

According to Mintzberg and Quinn (1991), there are four broad situational headings that play an important role in determining the extent to which an organisation can implement change. These include the age and size of the organisation; its technical systems; the environment in which the organisation is situated; and the nature of control exerted within and upon it from various sources.

Firstly, the age and size of the organisation are important indicators of its ability to accept and implement change. Mintzberg and Quinn (1991, pp. 340-341) asserted that 'the older the organization, the more formalized the behaviour'; 'the larger an organization, the more elaborate its structure'; 'the larger the organization, the larger the size of its average unit'; and 'structure reflects the age of the industry from its founding'. Young organisations have less time to establish a set of traditions and practices that inhibit change.

As a result, these organisations are more likely to adjust and accept the changes being implemented. On the other hand, older organisations maintain strong ties to established traditions and practices thus making it difficult to accept new processes. Large organisations also tend to favour more elaborate, complex structures and do not encourage flexibility in the organisation. Rather, they tend to 'specialize their jobs more finely' (Mintzberg and Quinn 1991, p. 340). This in turn results in greater levels of hierarchy required to supervise or coordinate the work of employees, and in some instances, to maintain control.

Furthermore, the formalisation of work practices leads to increases in the size of work groups, which affect the interpersonal relations among the group membership. In relation to the structure of the organisation and its historical origins, Mintzberg and Quinn (1991, p. 341) stated that 'an organization's structure seems to reflect the age of the industry in which it operates, no matter what its own age'. In the context of public sector organisations, it must be stressed that, like private sector organisations, they too are subject to change dependent upon either internal or external forces of change as discussed earlier in this chapter. Thus, within the changing landscape of public sector reforms in Australia, related organisations must adhere to the axiom 'adapt or die'. It must also be emphasised that an organisation's

*way of life* is embodied in all aspects of the organisation's profile. Likewise, Kotter (1989) stated that many organisations, historically, have had rigid structures with built in mechanisms to resist change.

Secondly, the technical system, that is 'instruments used in the operating core to produce the outputs' (Mintzberg and Quinn 1991, p. 341) may also limit an organisation's ability to change. According to Mintzberg and Quinn (1991, p. 341) the technical system can influence the organisational structure in three ways:

- Highly regulated organisations dominated by their technical systems tend to display more bureaucratic structures;
- Organisations with highly complex technical systems delegate the decision making process to professional or skilled staff with regard to the management of the technical system; and
- Organisations with automated technical systems embrace more organic structures that are characterised by fluidity and flexibility, in order to accommodate particular circumstances.

Thirdly, the environment also plays an important role in the organisation's ability to accept change.

The environment, according to Mintzberg and Quinn (1991, p. 341) 'refers to various characteristics of the organization's outside context, related to markets, political climate, economic conditions, and so on'. Organisations are influenced by the above-mentioned characteristics in the following ways:

- Organisations located in dynamic environments tend to adopt more organic structures;
- Organisations in complex environments adopt more decentralised structures;
- Organisations located in diversified markets adopt market based divisional structures; and
- Organisations in hostile environments adopt centralized structures (Mintzberg and Quinn 1991, p. 342).

Fourthly, power also has a determining effect on organisations. The exercise of power, either internally or externally, may influence the organisation's response to change. Mintzberg and

Quinn (1991, pp. 342-343) explained that power influenced organisations in the following ways:

- The greater the external control of the organisation, the more centralised and formalised its structure.
- A divided external coalition will tend to give rise to a politicised internal coalition and vice versa, and
- Fashion favours the structure of the day (and of the culture), sometimes even when inappropriate.

In his studies of the role of managers in organisations, Mintzberg found that although individual employee capabilities play a significant contribution in the implementation of a role in the organisation, it is the organisation that is responsible for the creation of that role based on the belief that a particular skill set will determine success. Effective managers, who are more often than not, the change initiators, will develop relevant protocols for successful action given their job description and personal preference, and match these with the situation at hand in the organisation (Mintzberg 1979).

It is also important to note that before implementing change initiatives in the organisation, change initiators must pay careful attention to the structure of the current organisation. According to Mintzberg (1992), organisations are made up of five main components as illustrated in Figure 2.4a.

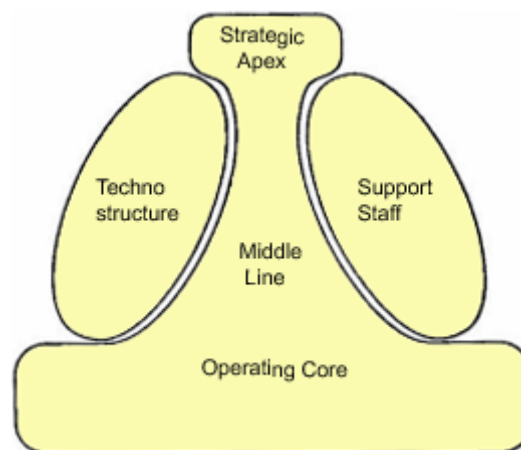


Figure 2.4a: The five basic components of an organisation

(Source: Adapted from Mintzberg 1992)

*Operating core:* Employees who perform the basic work related directly to the production of goods and services.

*Strategic apex:* Employees charged with ensuring that the organisation serves its mission in an effective way. This tends to serve the needs of those who are in control in the organisation or those who have power in the organisation.

*Middle-line managers:* These managers form a chain that joins the strategic apex to the operating core through the use of delegated formal authority.

*Technostructure:* Employees (analysts) who serve the organisation by affecting the work of others. These analysts may design the change, plan the change, or train other employees to initiate the change.

*Support staff:* These employees belong to specialised units. They provide support to the organisation outside the operating work flow.

These components need to fit together in a tightly knit fashion to enable the organisation to perform well because each component has the tendency to pull the organisation in a different direction as illustrated in Figure 2.4b.

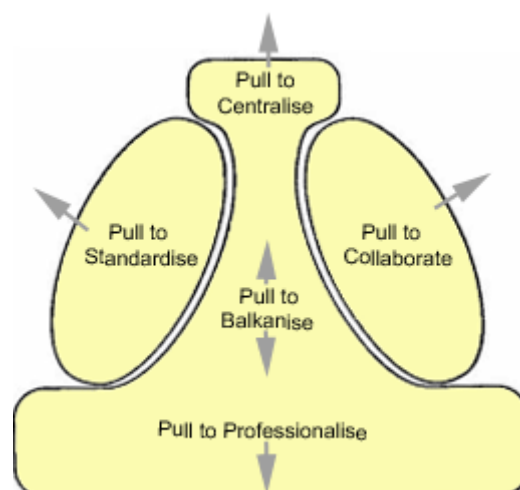


Figure 2.4b: Organisational pulls

(Source: Adapted from Mintzberg 1992)

Mintzberg (1979) also states that successful organisational structures can be identified as follows: the entrepreneurial organisation; the machine organisation (bureaucracy); the professional organisation; the divisional (diversified) organisation; and the innovative organisation ('adhocracy'). Of importance in the context of this discussion is the 'machine organisation (bureaucracy)'.

According to Mintzberg (1979), the machine organisation is defined by its standardisation; work is very formalised; employees are subject to many routines and procedures; decision-making is centralised; and tasks are grouped by functional departments. Furthermore, jobs are clearly defined; with formal planning processes with budgets and audits; and procedures are regularly analysed for efficiency and effectiveness.

Mintzberg (1979) also explained that the machine organisation has a tight vertical structure. Functional lines go all the way to the top, allowing senior managers to maintain centralised control. These organisations can be very efficient, and they rely heavily on economies of scale for their success. However, formalisation leads to specialisation and, pretty soon, functional units can have conflicting goals that can be inconsistent with overall organisational objectives. Government agencies are often machine organisations that perform routine tasks. If following procedures and meeting precise specifications are important, then the machine structure works well. It must be stressed that there is no one 'right' organisational structure. It is for this reason that it is important to understand how structure relates to the variety of attributes in an organisation.

This researcher finds shortcomings in Mintzberg and Quinn's model of change as follows:

- Mintzberg and Quinn's model does not consider, before introducing the change, what an (in)effective or (non)successful change initiator's role entails.
- The model ignores the relationship between managerial behaviour and organisational effectiveness.
- It presumes a 'neutral' position of the managerial role, omitting influences such as, for example, ownership. The contingency factors Mintzberg and Quinn identified only serve to explain the differences in the make-up of managerial work and do not reflect the opinions of the employees themselves. Thus, the voices of the employees are marginalised in their model.

- Some of their research studies were based on small organisations in action. In these instances, the sample size meant that the results could not be applied to all industries or to all organisations (both private or public).
- They argued that the manager's position is always the best in organisational analysis and that managerial roles are sequential – a manager first makes interpersonal contact through his formal status that in turn allows information processing and leads to decision-making. However, this is not true in all organisations.

#### 2.5.1.5 Anderson and Anderson's model of change

The Anderson and Anderson model of change is a totally comprehensive model designed to address all kinds of organisational change and one that also captures the cyclical nature of organisational change (Anderson and Anderson, 2001, p. 13). This model consists of three areas: *content* (organisational and technical areas that need change); *people* (the mindset, behavioural and cultural changes required to deliver the proposed change); and *process* (actions required to plan, design and implement the proposed change). All three processes must be carried out in an integrated and unified manner. The model, which has nine phases, is illustrated in Figure 2.5 below.

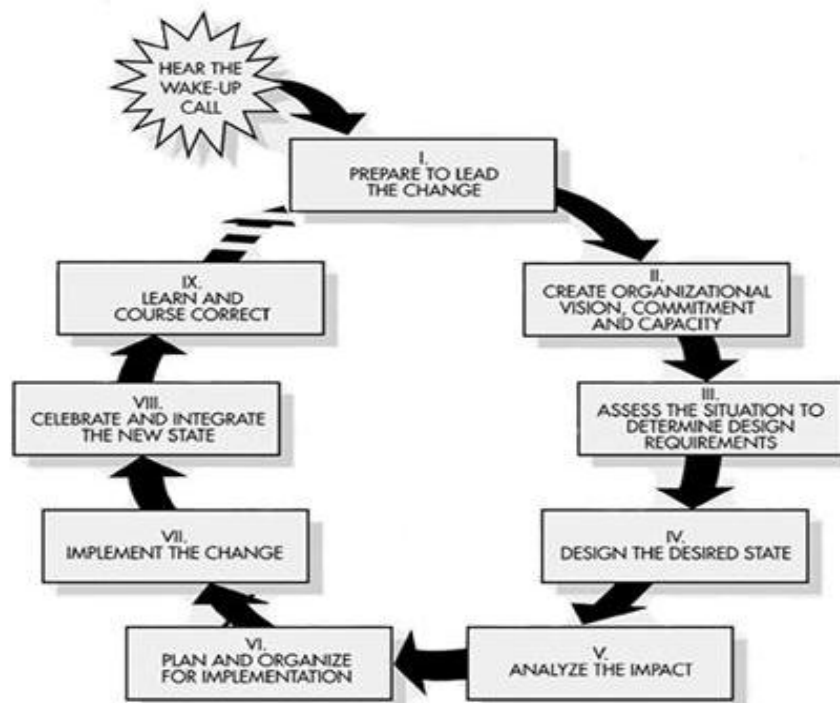


Figure 2.5 The Anderson and Anderson Model of Change

Source: Adapted from Anderson and Anderson (2001, p. 15)

**Phase I:** (*Prepare to Lead the Change*), change initiatives are resultant of a ‘wake-up call’ that an employee in the organisation hears. There is consensus in the organisation that there is a need for change. It now becomes imperative to establish this shared intention, devise a strategy and/or strategies for successful change to occur and also to prepare employees for the change process by:

- Clarifying roles; explaining the status of the change effort; and choosing the most suited employees in relation to expertise and experience;
- Determining the reasons for change; stating the desired outcomes; and explicitly arguing a clear case for the change to be implemented. These actions will assist to motivate employees to embrace the change efforts;
- Assessing the organisation’s readiness and capacity to capacity to implement the change;
- Strengthening change initiators’ capacity to understand, commit to and model behaviour and approaches that are required to lead the change successfully;
- Designing optimal approaches, processes, conditions and structures for the successful achievement of change; and
- Clarifying the overall change strategy for achieving results and ways in which to engage all employees to accept the organisation’s values and guiding principles (Anderson and Anderson, 2001, p. 25).

**Phase II:** (Create Organisational Vision, Commitment and Capability) is primarily concerned with building organisation-wide understanding, commitment, momentum, and capacity to succeed in the transformation (Anderson and Anderson, 2001, p. 129). This would be done by:

- Motivating all employees to embrace the change by building a strong case for the change and explaining to employees the ‘vision for the future’;
- Using communication techniques that deepen the understanding of the need for change;
- Organising traditional rites of passage that break away from the ‘old way’ of doing things; and providing training and related activities that will affect employee mindsets in a positive manner;



- Openly seeking employee inputs on key change issues that influence change initiators' thinking; and
- Allocating responsibility for high-leverage action for key players throughout all levels of the organisation (Anderson and Anderson, 2001, p. 130).

**Phase III:** (*Assess the Situation to Determine Design Requirements*) as Anderson and Anderson (2001, p. 147) explained, 'surfaces information that defines what success means and what the organisation already has in place that supports this success'. The successful achievement of this phase is dependent upon:

- The creation of clear expectations required to achieve the change successfully;
- The creation of various design scenarios that might affect the change;
- The evaluation of design options that might impact the change;
- Assistance in corrections needed to keep the change on track during its implementation;
- Assistance in identifying those areas in the organisation that are need to be stopped or dismantled so as not to effect the change; and
- What is needed to create afresh in order to make the change a reality? (Anderson and Anderson, 2001, p. 148).

**Phase IV:** (*Design the Desired State*), the role of change initiators is to design the specific organisational and cultural solutions that will enable successful achievement of the 'vision' that change will encompass (Anderson and Anderson, 2001, p. 159). To achieve this 'vision', change initiators must:

- create the processes and structures that will facilitate achieving desired state;
- decide on how the four levels of design (vision, strategic, managerial and operational) will be managed; this includes giving nominated employees the power to approve each level of design per desired state scenario;
- decide on whether to use a pilot test or not; and
- decide on what communication modes to be used throughout the whole organisation (Anderson and Anderson, 2001, p. 168).

**Phase V:** (*Analyse the Impact*), focusses on an analysis of the magnitude of impact the future state design will have on the existing organisation; and ensuring that the desired state will function effectively as an integrated state (Anderson and Anderson, 2001, p. 171).

Assessing the ‘magnitude of impact’ can be achieved by use of the ‘Gap Analysis’ tool. This tool will highlight issues to be addressed to best plan a realistic implementation process. The technique of ‘projection’ could be used to examine how the variables built into the desired design state might interact over time (Anderson and Anderson, 2001, p. 172).

In this phase, it is also important that change initiators focus on the following areas:

- The formal organisation (structures, management systems, business processes, skills, numbers of people, technology, and work practices);
- The human and cultural aspects of the organisation (mindsets, behaviour, relationships and other elements of culture); and
- The interconnections between the formal organisation and human and cultural aspects of the organisation (Anderson and Anderson, 2001, p. 178).

**Phase VI:** (*Plan and Organise for Implementation*) is concerned primarily with identifying the actions required to implement the desired state and developing the master plan. This particular action requires change initiators to create processes identifying the required actions; developing an implementation master plan; create plans resolve the individual impacts of the desired state; integrating the individual impact plans to identify actions for the detailed implementation master plan; designing strategies to sustain the energy for change throughout implementation and integrate them to the plan; and determining the pacing strategy and timeline and apply them to the implementation master plan (Anderson and Anderson, 2001, pp. 180-188).

Change initiators must also be in a position to support the implementation of the plan. This can be achieved through refining and establishing the conditions, structure, systems and policies and resources supporting the implementation; initiating strategies for supporting employees to embrace the desired state and managing their reactions to the change; and communicating the implementation master plan to the organisation and all relevant stakeholders (Anderson and Anderson, 2001, pp. 191-196).

**Phase VII:** (*Implement the Change Plan*) as described previously, Phases I to VI were primarily concerned with preparing the ground for implementation. These steps also involve the processes of checking and rechecking activities to ensure that nothing has been left to chance with regard to achieving successful change in the organisation.

This phase is concerned with carrying out the implementation master plan to achieve the desired state and to implement any changes required in accordance to the needs of the organisation in its current state (Anderson and Anderson, 2001, p. 201). For this phase to be successful, change initiators must ensure that the following criteria are met:

- Rolling out of the implementation master plan with particular attention being paid to dealing with resistance; responding to employees' reactions; and supporting employees' internal changes (Anderson and Anderson, 2001, p. 202).
- Monitoring and correcting the implementation process by focusing on communication delivery, impact and rumour management; employees' reactions; mindset and behaviour successes and failures; the need for training and coaching; and opportunities to celebrate success (Anderson and Anderson, 2001, p. 204).
- Monitoring and course correct the desired state by paying attention to fulfilment of design requirements; measurement of desired state; effectiveness of each aspect of the organisation (structure, systems, policies, technology, facilities, culture, skills, and so on); and how well the 'new' organisation works as an integrated system (Anderson and Anderson, 2001, p. 206).

**Phase VIII:** (*Celebrate and Integrate the New State*), according to Anderson and Anderson (2001, p. 211), phase VIII is concerned with 'celebrations'. The organisation must celebrate the milestone of achieving the desired state. These acts of celebration would serve to integrate employees; and support employees towards mastering the new mindsets, behaviours, skills and practices that make the new state successful. This phase serves to help employees to master their new way of working and relating in a way that energises them through celebration.

Celebrations within the organisation can take the following forms: public addresses by executive management; special edition newsletters; a party or dinner; rewards such as

bonuses, personalised appreciation letters, and so on; and media coverage (Anderson and Anderson, 2001, p. 212).

The support of integration and mastery of the new state by supporting employees and could be achieved in the following ways, namely, in-house training and follow-up application meetings; coaching and mentoring; identifying and rewarding best practices; job, project and skills seminars/workshops; further benchmarking of similar organisations; and process improvement (Anderson and Anderson, 2001, p. 216).

In addition, the supporting of integration and mastery of the new state to optimise its performance can take the following forms, namely, change initiators setting the expectation for strengthening any aspect of the new state so that it better supports the effectiveness of the whole; designing implementing a process that all key players understand as to how the organisation operates in the new state; and sensitising each part of the organisation to gain appreciation of how the whole system works and how it contributes towards the greater good of the organisation (Anderson and Anderson, 2001, p. 217).

**Phase IX:** (*Learn and Course Correct*), this final phase is also important in that it requires the organisation to have the following in place:

- mechanisms for continuous improvement of the new state;
- evaluation and learning strategies of how the change strategy and process were designed and implemented;
- the initiation of actions designed to improve the organisation's readiness and ability to facilitate future changes successfully; and
- the closing down of the change process by dismantling temporary infrastructure and conditions that do not serve the needs of the 'new' organisation (Anderson and Anderson, 2001, p. 223).

In addition to the above, the organisation has to design a system to refine and continuously improve the new state by stretching goals to seek opportunities for course correction; have in place a wake-up call recognition system; has an on-line information generation network; and engages in periodic visioning processes (Anderson and Anderson, 2001, p. 224).

The organisation has to also learn from the change process and establish the best practice for change. In this regard, detailed attention should be paid to the following issues:

- how well the change process expectations were met;
- how well was the change strategy balanced with regard to speed and thoroughness;
- how well the deliverables of each phase were created;
- how effective the changes were for building readiness and capacity for change in the organisation and its leaders;
- how clear and effective the decision-making processes were; and
- how well the relationships and partnerships were created, developed, managed, and maintained to support the change process (Anderson and Anderson, 2001, p. 227).

The dismantling of the temporary change support structures, management systems, policies and roles could be achieved by ending the special roles that people have played to support the transformation; managing the transitions of those employees into their old jobs and ensure that some attractiveness is introduced in their jobs to retain them; and celebrating the successes of employees who held temporary jobs (Anderson and Anderson, 2001, p. 228).

It must be noted that the Anderson and Anderson model of change is a comprehensive and well suited to address the different types of organisational change. In addition it also captures the cyclic nature of change in nine distinct phases. The model takes into consideration the strategic decisions that need to be considered by change initiators and those that are affected in each phase. The model also provides a viable mechanism of dealing with challenges that might arise during the different phases.

However, the researcher is of the opinion that for any model of change to be implemented successfully, the following criteria should be met or considered:

The organisation must initially establish a reason for the change. This initial step has to start with the leaders of the organisation. Leaders have the challenge of selecting the right organisational 'leaders' who have the ability to create an atmosphere where employees are motivated to go beyond the minimum expectations wanted of them. It must be stated that employees will not accept change if they see no reason for the change. According to Wischenevsky (2004), organisational leaders are most likely to act if they perceive that there

are changes that require their action stemming from management changes, environmental shifts or a decline in employee performance.

The model must incorporate the development of a vision and move from the status quo to a future state. A good vision helps employees know where they are going. However, having a 'vision' alone is not enough to direct employees to a future state or assist them in getting there. Leaders need to communicate the vision to employees and will have to lead by example to make the vision a reality. Differences between what leaders say and what leaders do, leads to distrust (Simonson, 2005).

The model must address the concept of changing processes to empower employees in the organisation to change. This includes evaluating the current systems, processes and capabilities to facilitate change (Farrell, Flood, MacCurtain, Hannigan, Dawson and West, 2005). Also, leaders should be involved in stewardship, that is, involving other employees in finding solutions and taking action; and creating a healthy work environment that provides the framework for a positive and professional practice agenda (Herrick, 2005).

The model must incorporate the idea of reinforcing and creating small improvements to encourage additional change. Employees need to understand that every process in the organisation can be improved. Leaders must focus on continuous improvement and reinforce small successes. This will encourage employees to seek more opportunities for improvement (Pryor, White and Toombs, 1998).

The model should cater for resistance to change; individually and collectively. Employees respond differently to change. Some employees enjoy and embrace change whilst others resist it. Resistance is a normal reaction to change and should be expected. Greater resistance is encountered during the developmental stages of change – leaders must understand this reaction and need to support employees as they go through these stages of change. Leaders need to plan strategies to enable employees to work through their resistance (Kohles, Baker and Donaho, 1995).

Change plans should not be created in some high level office and then forced upon employees who are supposed to implement the change. All planning in relation to change

should involve a vertical and horizontal microcosm of the organisation. This creates a sense of ownership of the change on the part of all employees (Collins, 2001).

The issue of communication should be an integral part of this change model. Communication is important to gain support of the change and to encourage employees to 'buy in'. Successful organisations have to acquire, integrate and use new knowledge to the best of its advantage. Furthermore, they have to be able to combine and exchange information in order to enhance their processes to guard against failure. All change initiatives must be discussed, explored and communicated to all stakeholders (Farrell et al. 2005).

The change should be monitored and measured while it is being implemented. It must be noted that the successful implementation of change involves discipline. Employees must be

disciplined and should be held accountable for their actions. This cannot occur unless measurements of accountability are in place (Collins, 2001). Leaders, too, have to be accountable to the organisation for the results of their plans and outcomes. Thus, accountability will require a master plan that can be evaluated at any time (Newcomb, 2005). Change initiators must have strong leadership qualities. According to Kotter (1996) and Shields (1999), strong leaders have charisma; inspiration to gain support for their vision; individual consideration; and intellectual stimulation. According to Newcomb (2005), strong leaders must meet the following requirements, namely, have the ability to assess the environment on a continuous basis; know what their visions are and be able to gain support for them; and have the ability to execute the plan in order to achieve the vision they have established.

The model chosen to implement the change must be acted upon immediately. We are living in an era of rapid change, sophisticated communication and technological systems and variables that make preparation for the future complex. With this in mind, the speed or pace at which the steps, phases or stages of the model occur should be given priority. Thus, in today's world of constant, complex change, leaders who react rapidly and responsibly are successful (Pryor, Humphreys, Taneja and Moffitt, 2007).

The next subsection discusses the transformational approach to change and change management.

## 2.6 The Transformational Approach to Change and Change Management

Many organisations in Australia are currently facing challenges that are political, social and economic in nature. At the same time, they are also under pressures and uncertainties due to global change. Equally, lifestyle changes, technology, legislation, internationalism and workforce expectations all impact on public sector organisations, causing them to change (Hellriegel, Jackson, Slocum and Staude 2001). As a result, 'the unstable environmental conditions in which modern organisations operate mean that the ability to successfully manage change has become a key competitive asset' (Macredi and Sandom 1999, p. 247). These current changes are usually rapid in nature and may encompass the entire organisation or a substantial portion of it. Thus, in order to survive, many organisations in Australia have sought ways of implementing new policies, strategies, systems and methods of working to face political, social and economic challenges they face.

The forces behind organisational change are numerous and varied. Changes in the global economy, customer preference, market conditions, financial systems, competition, as well as government laws and regulations have put Australian organisations under pressure to change both their internal and external operations and management systems. To elaborate further, the globalization and decline of economies, the pressure on public resources caused by this decline, the demands of the welfare state, public disenchantment with the quality of public services, and the influence of the new right or neoconservative philosophy that favours more market-oriented approaches to public sector management (Mascarenhas 1993, pp. 319-328).

In the public sector, economic pressure has stimulated debate with regard to issues related to economic liberalisation, deregulation of the economy, reorganisation of the public services and privatisation. Governments now have to provide more in a climate of increasing demand for services whilst at the same time being subject to diminishing financial resources. This has forced public organisations to re-think and re-design their jobs in order to reduce costs and increase productivity. Apart from economic pressures, market conditions and competition have also created substantial change in most Australian public sector organisations.



According to Kreitner and Kinicki (1992), an organisation cannot survive in competitive environments if it does not design and promote services that satisfy changing customer preferences and market conditions. In addition, technical advancements in organisations have led to improvements in productivity and market competitiveness. To this end Macredi and Sandom (1999) advocated for using information technology (IT) as a necessity to achieve the organisational structures and activities required for success in the global economic environment. However, Drucker and Nakauchi (1997) claimed that IT may have resulted in many organisations becoming flatter and less hierarchical in nature. Thus, information technology has become a significant vehicle for the success of most organisations (Currie 1996).

According to Schabracq and Cooper (2000), internal forces for change are related to human resources and managerial behaviour – for example, poor morale or abnormal levels of absenteeism and turnover, inadequate performance evaluations, lack of promotion systems, inadequate internal communication systems and workplace conflict. Subsequently, organisations are required to implement new structures, new communication systems, improved reward systems and new work processes. Thus, in order to address these issues, some public sector organisations have embraced ‘transformational change’ as a strategy to bring about changes to organisational behaviour, structures and processes.

To quote Kindler (1979 p. 477 ): ‘Transformational change is a variation in kind that involves re-conceptualisation and discontinuity from the initial system’. Head (1997) described transformational change as consisting of changes to structure, process and culture. Chapman (2002) proposed that transformational change requires the alteration of values, beliefs and attitudes. To this end, Stace and Dunphy (2001, p. 245), stated that the characteristics of transformational change are: a radical redefinition of the organisation’s business strategies; developing and building upon employees’ work commitment; creating a cultural renewal throughout the entire organisation; with employees anticipating change and willing to endorse it. It must also be stated that transformational change is time-consuming (Nadler and Tushman 1989) and requires good coordination efforts and solid management support (Jick 1993; Kotter 1995; Stace and Dunphy 2001; Zhou and Shalley 2007).

These views on transformational change demonstrate more dimensions of the issue, which are useful in helping to visualise the impact upon organisational strategies, new behaviour sets, modified organisational culture and the renewal of organisational processes, especially in government sector agencies.

### 2.6.1 Transformational change models

As mentioned in the previous discussion, organisational change has a proliferation of models and approaches. Transformational models are a subset of these, have been developed by both practitioners and academics alike, and are classified as such.

#### **2.6.1.1 Practitioner models**

According to Kanter (1983) and Kotter (1995), practitioner models of transformation are primarily aimed at senior management in an organisation. These models can be developed by both academics and practitioners (Carroll and Hatakenaka 2001). Practitioner models ‘tend to rely on illustrative anecdotes and opinion’ and ‘make concrete recommendations to managers’ (Miller, Greenwood and Hinings 1997, p. 71). These models may also provide comprehensive instructions on how to initiate organisational change.

Kotter (1996), and Carroll and Hatakenaka (2001), pointed out that when describing these models, only two stances are taken, namely, success or failure. However, according to Jick (1993), Connors and Smith (1999) and Beer and Eisenstat (2000), these models are often too simplistic in nature and involve the implementation of activities occurring on a straight time-line when bringing about change. These writers also observed that these models concentrate only on the process of implementation, neglecting significant factors related to the political framework, the work environment and the organizational. .

Miller, Greenwood and Hinings (1997) also criticised these models stating that:

- These models do not identify the internal and external environments responsible for their success.
- Descriptions of these models do not predetermine successful replication in other organisations of a similar nature.

- In some instances, adoption of practitioner models can jeopardise and prove to be potentially dangerous for organisations.

### **2.6.1.2 Theoretical models**

Theoretical models of change are based on research literature that analyse specific areas of transformational change which control the primary variables responsible for these types of change (Labianca, Gray and Brass 2000). Authors in the literature have given descriptions of theoretical models that are more comprehensive and generic than practitioner models. Theoretical models also provide definitions of the different types of change and describe the characteristics of change.

Burke and Litwin (1992) and Porras and Robertson (1992) have given a better understanding of the differences between theoretical and practitioner models. These writers proposed two well-defined models of organisational change that focus on practice and empirical research, the resultant behaviours and culture emanating from change, measuring and monitoring and the outcomes of change. To elaborate, Burke and Litwin's (1992, p. 532) transformational model highlights leadership behaviour and the manner in which leaders direct and act as role models in the organisation. Furthermore, this model reinforces interrelations in the organisation, namely, employee and organisational performance, mission and strategy, the external environment, organisational culture and outcomes, and leadership. Similarly, the model proposed by Porras and Robertson (1992) focuses on organisational work settings. The four major factors, namely social factors, physical settings, technology and organisational arrangements, are identified in their model. This model emphasises individual and organisational behaviour changes being the most important results of change.

In summary, both the theoretical and practitioner models examine the internal and external environment existent in organisations, the expectations of change, the impact of specific aspects of change, the acceptance of new behaviour strategies and the importance of timely communications in the change process.

## 2.6.2 Transformational change and its implications for public sector organisations

A close examination of the practitioner and theoretical models discussed previously reveals that for successful transformational change to occur, a common set of managerial approaches are required: the analysis of the need for change; the creation of a vision; the creation of a sense of urgency; the identification of leadership or the guiding team; the development of an implementation plan; the creation of structures to support the change; effective communication; and the reinforcing or institutionalising of the change processes (Jick 1993).

The five stages common to both the practitioner and theoretical models of change are:

1. *The creation of clear goals.* Pascale, Millemann and Gojia (1997) emphasised the need for organisations to develop and articulate a clear statement of where the organisation needs to move to. They refer to this process as ‘managing from the future’. In this instance, the future is envisioned and described so that all public sector employees can see the total picture. Thus, the long-term success of change is dependent upon understanding and creating clear goals for the desired change.
2. *Collaboration and respect.* According to Duck (1993) and Kotter (1995), the vision for the organisation is generally created by a single person, typically the organisational head. The organisational head needs cooperation from other employees to bring about successful change. In other words, the implementation of transformational change processes can occur through a cross-functional group, working in collaboration with all stakeholders. Without collaboration, any change process introduced is bound to fail or not achieve its desired outcomes. Duck (1993) and Kotter (1995) maintained that there must be mutual respect amongst all members in the organisation if change is to succeed.
3. *Developing and executing an implementation plan.* The guiding coalition or team is responsible for the development of the implementation plan. Firstly, the implementation plan must cover all aspects of the change. It must also be shared equally by all stakeholders in the organisation. Only interested parties and other key leaders will participate in the execution of the plan. Kotter (1995) argued that the implementation plan must include short-term wins to motivate employees through experiencing the importance of the change and to provide direction in moving

towards the vision created. For example, at the SATC, regular meetings are held to discuss the impact of change with regard to the success or failure of projects being undertaken.

4. *The importance of communication throughout the change.* Communication should be an integral part of the change process (Duck 1993; Kotter 1995; Freda, Arn and Gatlin-Watts 1999). In the organisation, communication can present itself in various forms, for example verbal, written and observed behaviours. Through these media, as well as through organisational newsletters, one-on-one discussions and presentations, change that is underway can be reinforced. The importance of communication as a stimulator of change is also reinforced by Richardson and Richardson (1994) and Kitchen and Daly (2002). These writers argue that there should be consistency in communication from all key leaders; the communication must be good; and that the communication must be frequent.
5. *Reinforcing and institutionalising the change.* According to Beer, Eisenstat and Spector (1990a), change initiation involves a forward momentum that requires continual reinforcement of the desired change. In this way, institutionalisation occurs through changes to organisational structures and policies. In addition, Covin and Kilmann (1990) and Kotter (1995) wrote that other activities that reinforce change in the organisation are the continued articulation of new behaviours and the manner in which they support the vision and succession planning developed and executed by the change agents. In the context of this discussion, the guiding coalition could be described as the initiators of change, namely the upper hierarchy of executives in an organisation.

#### **2.6.2.1 The impact of transformational change in public sector organisations**

Change and the rate of acceptance of the change processes may depend on numerous factors, which is true for current organisations in Australia. To elaborate, Kanter (1983) identified segmentation and fluidity of structures; Child (1984) cited contingency factors; Mintzberg and Quinn (1991) mentioned local situational factors; Pettigrew, Ferlie and McKee (1992) pointed to persistent political pressure; Schein (1996) cited culture (norms, values and assumption; White, Marni, Brazeal and Friedman (1997) described the dynamics between organisational adaptation and natural selection; and Kondra and Hinings (1998) drew

attention to isomorphic environments and the forces of change. Thus, organisations are restructured for various reasons and public sector organisations are no exception. However, restructuring strategies in public sector organisations appeared to pose an intractable problem. First, according to Kanter (1983) and Maurer (1998), transformational change can contribute to employee resistance. To explain, some employees are reluctant to embrace change and tend to maintain existing patterns of behaviour. Furthermore, some of the changes adopted fail in their capacity to challenge current work practices, processes and employee relationships.

Second, transformational change brings about 'segmentalism' in some public sector organisations (Kanter 1983). According to Kanter (1983), the process of segmentalism is associated with placing actions, events and problems in an organisation into different compartments. Thus, each of these becomes isolated from each other. As a result, problems in the organisation are viewed in a very narrow light totally independent from their context. Also, the problem is viewed in isolation from other problems that might have a bearing on it.

Kanter (1983, p. 31) described segmentation as being:

...what keeps an organisation steady, on course, changing as little as possible, making only minimal adjustments. This style, this mode of organizing protects the successful organisation against unnecessary change, insures that it will repeat what it already 'knows'. But, segmentation also makes it harder for the organisation to move beyond its existing capacity in order to innovate and improve.

Third, transformational change threatens the *status quo* of managers within the organisation because sometimes change gives rise to alternative structures that challenge existing managerial positions. In line with this view, Blandy and Walsh (1985, pp. 69-70) mentioned that [some] managers 'are unwilling to accept the need for change (but) they also tenaciously defend managerial prerogatives'.

Fourth, transformational change that impacts upon job classifications, job descriptions and employee work relationships poses numerous challenges to the bureaucratic nature of the organisation. It must be noted that public sector organisations are characterised by rigid structural constraints which governments support (Pettigrew et al. 1992). Lending support to

this view, Davis, Wanna, Warhurst and Weller (1988) also state that some structures of government represent previous policy decisions and therefore interpret new policies and organisational structures according to those predetermined decisions.

Fifth, there are spans between policy development and implementation. In citing the procedure in Australia, Davis et al. (1988) maintain that the Australian constitution requires processes whereby new policies pass through different levels of government as well as administration before being implemented by the organisation affected by the proposed change.

It is recognised that transformational change in some public sector organisations is beset with complexity of a different order from other organisations adopting a hierarchical structure.

Success is likely to depend as much on the quality of implementation, on the sensitivity to different points of view and on the degree of support from influential organisation members as on the soundness of the principles of the change approach adopted. Moreover, transformational change has a profound effect on both the public sector and its' employees.

To elaborate, modern public sector organisations is characterised by a set of complex issues and ongoing change. This has resulted in a change in the nature of public sector work which has driven change in the areas of society, the environment and technology. This has impacted on the way public sector work is now undertaken due to changing working styles, the pace of change, globalisation, communication, work values, employee attraction, retention, and engagement, work/life balance, career progression and organisational loyalty. These issues are discussed in detail in Chapter Six.

## 2.7 Resistance to Change

The theoretical background on employee resistance to change provides an appropriate context for this case study because for many employees, change implies loss. Loss is an emotional experience associated with stress and anxiety. Thus, employees' emotional reactions to change are similar to the experience of grief (Carr 2001).

In the discussions that follow, three related aspects of resistance by public sector employees to change and change management are presented: defining resistance; the nature and causes of resistance; and resistance in the public sector.

### 2.7.1 Defining resistance

In some modern organisations, change occurs continuously and at a rapid pace. Consequently, it is normal for the recipients of change to resist because resistance itself is a defence mechanism to maintain the status quo. Hultman (1995) maintains that some employees are predisposed to resist change, even though the change effort ultimately may be to their benefit. According to Waddell and Sohal (1998), resistance could be described as a multifaceted phenomenon because it introduces unanticipated delays, costs and instabilities into the process of a strategic change. O'Connor (1993) describes resistance as:

... slow motion response to meet agreements or even a complete refusal to cooperate with change. In an organisation, resistance is opposition or withholding of support for specific plans or ideas. It can be either intentional or unintentional, covert or overt.

Hultman (1995) maintains that resistance to change that is evident in employee behaviour falls into two categories, active and passive resistance. In the case of active resistance, employees engage in behaviours associated with manipulation, ridicule, fault-finding and fear. On the other hand, passive resistance is associated with withdrawal of information, ignorance and lack of action following verbal compliance.

Dent and Goldberg (1999) maintain that resistance is the conduct that employees adopt in order to preserve the status quo when faced with pressure or if they feel that their security or status is threatened. By doing so, the status quo is maintained. In other words, employees engage in behaviours that serve to disrupt, confront, challenge, test levels of authority and engage in critical discourse when confronted with change management practices. Resistance to organisational change also carries a negative connotation, symbolising undesirable employee attitudes and counter-productive behaviour (Waddell and Sohal 1998).

However, resistance can be viewed as having a positive influence in the organisation. Robbins (1998) states that resistance could serve to test the commitment of those initiating the change; if the resistance is based on valid viewpoints, then important truths could be



heard, understood and taken into account by the change initiators if they want change is to succeed; resistance can assist to weed out bad ideas that have not been thoroughly vetted by the change initiators or ideas that might have been impulsive reactions to external events; and resistance could provide an outlet for employees' emotions and energy during times of intense pressure. Resistance becomes negative when it hinders employee adaptation to change and organisational progress.

### 2.7.2 The nature and causes of resistance

In the literature on resistance to change, many writers have concurred that employees resist change because they are afraid to lose something that they value; they do not understand the change and its implications; they do not believe that the change will make sense in the organization; or they find it difficult to cope with either the level or practice of change (Zander 1950; Skoldberg 1994; Kotter 1996; Maurer 1996; Robbins 1998; Bolognese 2002; Dunn 2002; Schuler 2003).

Stemming from the writings on resistance to change by Zander (1950), Dent and Goldberg (1999) cited six common causes that foster employee resistance to change. Resistance occurs when the nature of the change is not made clear to the employees who are going to be influenced by the change; the change is open to a wide variety of interpretations; employees influenced feel strong forces deterring them from changing; employees influenced by the change have pressure put on them to comply instead of having an input in the nature or the direction of the change; the change is made on personal grounds; and the change ignores the already established institutions in the group.

It must be noted that other causes of resistance by employees in organisations worthy of mention are lack of confidence in management; loss of status; loss of job security; pressure from co-workers; dysfunctional group relationships; interruption of cultural customs and traditions; personality clashes; and a lack of diplomacy and timing (Dunn (2002). According to Kotter (1996), resistance to change can be linked to issues associated with employees being incredulous to the value of change, the ambiguity of change, leadership styles, the internal dynamics of the organisation; and an unfavourable work environment. Adding to this list of causes, Schuler (2003, pp. 1-5) maintained that resistance is most likely to surface when employees feel connected to other employees who are identified with the 'old way of

doing things'; have no role models for the new activity; fear they lack the competence to change; feel overloaded and overwhelmed; and fear hidden agendas resultant of the change. It must be noted that Schuler's (2003) list outlines the emotional aspects associated with resistance. He maintains that in order to obtain commitment for change, employees must actively participate in the change processes at both the rational and emotional level. Furthermore, he states that an understanding of the emotional aspects responsible for resistance is poorly understood by those implementing change. It is for this reason that he advocates that those responsible for change are cognisant of the emotional determinants of resistance.

For Waddell and Sohal (1998), the difficulty of managing change is often exacerbated by the mismanagement of employee resistance. Their study of the manner in which managers assessed the levels of resistance offered by employees revealed that most managers seldom diagnosed the nature of resistance to ascertain whether there was any likely benefit to be gained from its utility. These writers concluded that if resistance was managed effectively by looking for ways of utilizing rather than overcoming it, the resistance might contribute positively to bringing about successful change in the organisation. Lending support to this view, Goldratt (1990) maintained that resistance in any organisation is a necessary and positive element because it allowed for participation by employees involved in the change process. This in turn, results in the successful implementation of change.

The various forms of resistance to change are highlighted by Maurer (1996) who states that resistance in the organisation can be demonstrated through immediate criticism and complaints, silence, deflection, sabotage, non-agreement and compliance with malicious intent. Lending support, Robbins (1998) maintains that resistance to change can be expressed in an overt manner; is normally immediate; is implicit in nature; and it can be deferred. For Skoldberg (1994), the forms of resistance are displayed by the loss of commitment, increased errors on the part of employees, high rates of absenteeism and loss of motivation among employees.

In the next subsection, resistance to change in the public sector is discussed. Whilst acknowledging that the issue of resistance to change is associated with all organisations, both private and public, the researcher is of the opinion that this discussion forges a link with one

of the general objectives of this case study, that is, identifying employees' attitudes and fears of change and change management. In the previous discussion above, a generic discussion on resistance was presented. The discussion to follow will focus primarily on public sector employees.

### 2.7.3 Resistance in the public service sector

Within the context of this case study, the SATC recognised that all employees were an integral part of the South Australian Tourism Plan (2003-2008) and their positive contributions would ensure that change succeeds. However, as stated previously, resistance to change by employees is a universal phenomenon, in both private and public sector organizations (Ansoff 1988; Waddell and Sohal 1998; O'Connor 1993; Dent and Goldberg 1999; Folger and Skarlicki 1999; Koonce, 1991; Bovey and Hede 2001; Robbins 1998; Bessant and Tidd 2009; Alvesson and Sveningsson 2008; Kanter, Stein and Jick 1992).

Within the context of public sector organisations, Doherty and Horne (2002, p. 41) identified the following reasons why public service employees resist change:

- Adherence to bureaucratic 'habits' related to delegation, legalism, procedural regulation; the need for caution and security: scepticism – often legitimate – about management.
- Difficulties due to multiple levels of authority, accountability and reporting.
- Tendency to push decision-making upwards. This conflicts with approaches that seek to increase self-control and self-direction.
- Relationships are guided by the interests of many stakeholders.
- Conflicting interests, agendas, alliances, reward structures and values.
- Financial support for change management programmes is difficult to obtain.
- Funding for consultants is limited because many people have to agree to spending.

Lending support to McConkey (1993), Doherty and Horne (2002) elaborated on why some public sector employees resist change. They asserted that a large number of public sector organisations continue to operate in a 'mechanical' manner – performing their roles in a structured fashion – resulting in greater resistance to change. They argued that public sector employees find it difficult to convey decisions to management despite the devolution of the

decision-making process. Furthermore, they stated that public sector employees tend to resist change because some managers exaggerate the outcomes of the changes they have initiated. Not all public sector employees however, resisted change. Those most prone to resist change are employees who fear that they are too old to learn, those with limited educational qualifications who lack confidence, doubt their value to the organisation and are cautious about the benefits of retraining and inexperienced staff that are influenced by older employees to resist change (Doherty and Horne 2002). These authors also identified some common forms of resistance displayed through the behaviours of public sector employees, namely, 'apathy, lateness, sabotage, sick leave, absenteeism, procrastination, working-to-rule, working slowly, embarrassing leaks to press and media, undermining behind-the-back criticism' (Doherty and Horne 2002, p. 43).

In essence, change management processes within some public sector organisations require changing the way their employees conduct their roles and responsibilities. In other words, it requires employees to rethink the way in which they undertake their roles within a public department or agency. The views of employees to such change would differ because of personal differences and ideologies (Hussey 1995). This point was acknowledged by Doherty and Horne (2002, p. 53); however, these writers stressed that in order to manage change effectively in public sector organisations, it is essential that change initiators first stand back and analyse the organisation before implementing any sort of change. It must be remembered that the organisation will not change while the change initiators analyses it. Thus, the onus lies upon the change initiators to portray the impression to employees that the organisation is stable. Furthermore, change initiators must give credence to cause and effect that the change might bring and to what they see and measure.

Doherty and Horne (2002 p. 54) also maintained that for public sector employees to understand and accept organisational change, they need to engage in what they describe as 'inner world thinking', which is critical, empathetic, creative, imaginative, predictive, reflective, re-collective and 'outer world conversations', which are questioning, listening, learning, persuading, negotiating, instructing, delegating, coaching, criticizing, monitoring, appraising, counselling and terminating. These approaches to an understanding of organisational change are cyclic and involve the formulation of the change management approach, evaluating the change, making sense of the change, taking the necessary action to

implement the change and sensing the outcome of the change. In essence, what these writers imply is that whilst some public sector employees offer resistance to change, others do not because resistance to change has many disadvantages.

## 2.8 Summary

This chapter discussed the phenomenon of change, presented in an overview of literature on change management, the reasons for change, traditional models of and approaches to change and management. A transformational approach to change and change management was also presented. Following from this, the chapter also addressed the issue of resistance in both private and public sector organisations. From the discussions presented in this part of the literature review, it is evident that change and change management are complex processes and have profound effects on employees, both in the private and public sector.

In a broad sense, change can be categorised as either ‘radical’ or ‘incremental’ in nature. Radical change involves large-scale change, organisation wide transformation initiatives that are rapid and wholesale. Radical change also involves replacing old ways and old ideas with new and unique ways of doing things in an organisation. According to the literature, radical change is sometimes referred to as ‘revolutionary’ or ‘discontinuous’ change thereby symbolising a break with past processes and practices. However, this type of change cannot be achieved quickly because new forms of behaviours are called for by all involved in the change process. This type of change also requires a coordinated program of smaller projects within the organisation and successful coordination of smaller projects takes longer. Incremental change, on the other hand, is carried out on a relatively small scale, is localised and is designed to solve a particular problem in the organisation. It is sometimes implemented to enhance the performance of a section or part of an organisation.

Transformational change of organisations has been defined as radical and wide-ranging changes made to an organisations’ mission, culture and structure in order to meet changing environmental conditions (Dunphy and Stace 1990). Two types of transformational change models have been identified — practitioner and theoretical according to the scale and depth of change. ‘Practitioner’ change models are primarily aimed at senior management in an organisation while ‘theoretical’ models analyses specific areas of transformational change.

The latter models also tackle all structures including making changes to power and status of individuals within the organisation (Dunphy and Stace 1990).

Change of any kind can lead to high anxiety and low morale among employees (Southon 1996). Associated with this, is the issue of resistance to change. Resistance to change can generally be classified as individual factors on the one hand and sometimes organisational factors on the other. Employees resist change for various reasons and the level of resistance offered can be linked to both the internal and external factors impacting upon the organisation. In most instances, employees resist because the change is implemented suddenly without proper consultation with them; they lack the skills to implement the change; fear of failure; they do not lack trust the change initiators; personality clashes among employees; poor timing with regard to the implementation of change; change initiators lack tact and display insensitive behaviour; the change threatens or leads to job insecurity; and there are unexplained changes to the timeline for change. Thus, for change to succeed, change initiators must design and implement change processes in such a way that it overcomes resistance in the organisation.

Thus, for change and change management to be implemented successfully in public sector organisations, there is a need for: clear goals and strategies to achieve them; early and frequent consultation with all stakeholders; establishing trust with all stakeholders; and using opinion leaders to help promote change. Also, substantial reform takes time therefore existing structures should be evaluated for their effectiveness before they are reformed or replaced (Ashton 2001). Thus, change needs to be viewed as a generative process that alters with the need of the organisation, one where employee learning and the change process are closely interlinked. Effective change requires a long-term commitment, an understanding of the vision and a well-coordinated team inclusive of all stakeholders.

Change is also influenced by a number of variables that in turn impact on both the organisation and employees within that organisation. These can also have a profound effect in determining the success or failure of the organisation. Whilst a number of studies portrayed in the literature on change and change management have primarily focused on private sector organisations, studies in public sector organisations have been difficult to implement (Ferlie, et al. 1996). These writers maintain that the shape and size of public sector organisations and

the issue of accountability to a range of stakeholders have poses a great difficulty for researchers to ascertain the degree that change and change management has on public sector employees.

Also, with regard to the successful implementation of change initiatives, it must be noted that unlike private sector organisations, public sector organisations are subject to the dominant political ideologies of the political party in power. The arrival of new leaders into the public sector, often as the result of electoral cycles, frequently results in organisational changes. These changes are introduced as a means of establishing a new leader's managerial style, often at the expense of repudiating previous organisational directions. All of these have a profound bearing on change and change management.

In conclusion, it must be stated that the literature on change and change management provides conceptual challenges to both practice and research. Employees, who are the recipients of change initiatives, should not be excluded from the change processes because they can make invaluable contributions to change initiatives in the organisation.

In the next chapter, the discussions will revolve around the reformation of public sector management in Australia and South Australia. The discussions encompass the rationale for public sector change, trends in public sector management, models of public sector management and a critique of organisational change in the Australian public sector.





## CHAPTER THREE: PUBLIC SECTOR CHANGE IN AUSTRALIA AND SOUTH AUSTRALIA

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### 3.1 Introduction

The aim of this chapter is to discuss how public sector management in Australia and South Australia has been reformed. The first section elaborates on the rationale for change which is driven by political change, economic circumstances, social changes and technological change, being key motivators for reform in Australia. In addition, this section discusses the concept of 'New Public Management', contemporary trends in Australian public sector management, models of public sector reform and provides a critique of organisational change in the Australian public sector.

The second section explains public sector change in the South Australian context. It discusses some of the significant reviews (Corbett and Guerin 1980, 1983, 1984), critiques of the former, an overview of the *Public Sector Management Act*, the South Australian Public Service and the Office for the Commissioner for Public Employment. It also discusses change in the South Australian Tourism Commission and South Australian Public Sector reform and renewal issues.

### 3.2 Public Sector Change: An Australian Perspective

Traditionally, some public and private services in Australia have been delivered in accordance with Weberian principles of efficiency gained through bureaucracy (Hughes, 1998), a concept of 'hierarchy with lines of command based on rules and regulations' (Mascarenhas, 1990, p. 77). The notion of Weberian bureaucracy is characteristic with, organisation by functional speciality, tenure of employment, a conformity to group norms as well as following rules, and was essential to maintain stable conditions in complex environments. However, it could not respond to economic, social, political and administrative change occurring in countries that followed the Westminster tradition of government.

Caiden (1991), Tingle (1994) and Bell (1997) comment that during the 1970s, Australia's

economic performance declined because of worldwide economic pressures resulting from oil price rises and the Vietnam War, which led to the Australian economy experiencing problems, such as budget deficits, high spending levels, inflation, high unemployment and poor productivity. As a result, the public service faced public scrutiny and its size and budgets were questioned. The Weberian model of bureaucracy, dependent upon stable conditions, was no longer suitable in the Australian public sector because it hindered 'effective implementation of government policy' (Keating, 1990, p. 390).

The federal government established the Royal Commission on Australian Government Administration (The Coombs Commission) in 1974 to conduct an inquiry into, and report on, aspects of Australia's government administration. The Coombs Commission found that public service management had become too rigid and excessively structured, and recommended that authority and responsibility should be devolved substantially to officials directly responsible for giving better service to the public. Three major themes emerged from the commission's research: responsiveness to the elected government; improved efficiency and effectiveness, dependent upon more results-based management and less prescription; and community participation. With regard to community participation, the Commission felt that public opinion would give the Commission more credibility, but little action was taken towards this.

During Prime Minister Fraser's term in office (1975-1983), his government pursued the goals of reducing expenditure, streamlining the public service and providing responsible economic management. One of the actions implemented was the appointment of an Administrative Review Committee headed by Henry Bland in 1975. The central focus of the committee was to review and recommend ways to reduce the size of the public service. This process was slow to be implemented and in 1981 the committee recommended the privatisation of some Commonwealth agencies. However, implementation of these recommendations produced only modest savings for the Fraser government. By 1983, the Australian economy was in recession, the effects locally and nationally worsened by severe drought, which had implications on public sector reforms.

As a result, other reports followed including the Review of Commonwealth Administration

(1983) and *Reforming the Australian Public Sector* (1983). Armstrong (1997), commenting on these reviews, recommended the improvement of communication and understanding between the public and private sectors. Attention was also focused on high standards of conduct, improved leadership, good morale, professional managerial skills, improved financial management and cost consciousness, provision of sound and constructive policy advice, and better accountability and performance evaluation within a non-political career public service framework. According to Mascarenhas (1990), these reviews were directed towards the adoption of market principles designed to make the public sector leaner, more efficient and economic, with changes introduced in a consensual manner by all related stakeholders. Anderson, Griffin and Teicher (2002) supporting this view, suggested that by following principles borrowed from the private sector, decision-making was better devolved to departmental levels. This decision-making infiltrated all aspects of the public service (both state and federal). Some state governments adopted an approach that was 'commercial' in nature (Barrett, 2000). Change and change management prescribes flexibility in organisations that seek business efficiency and asserts that government services need not be delivered by governments themselves. Many public sector organisations became more performance and outcome oriented as part of a centrally driven public sector reform, which was characterised by economic metaphors such as 'managerialism' (Guthrie, Parker and Shand, 1990; Pollitt, 1990), 'economic rationalism' (Pusey, 1991), 'commercialising' (Dixon and Kouzmin, 1994), 'new public management' (Hood, 1991), 'total quality management' (Tuckman, 1994) and 'corporate management' (Considine, 1988).

The recommendations of these reviews resulted in substantial public service staff reduction because many functions were postponed, wound back or became the responsibility of the states or the private sector. Whilst public sector reforms were introduced by the Whitlam and Fraser governments in the 1970s, the first major attempt to legislate reforms in the public sector occurred in 1984 when the Hawke government enacted the *Public Service Reform Act 1984*. This Act addressed a common theme of the three preceding reports – the need for a more open and efficient public service. The legislation streamlined employment procedures and started a process of devolving managerial responsibilities to departments. Furthermore, the Hawke government started curtailing public sector spending, thereby putting pressure on the public sector to improve efficiency and effectiveness (Zifcak, 1994).

In 1996, the government decided to further reform the Australian Public Service (APS) because it believed that the public service was out-dated. It followed rigid and cumbersome regulations, was systematically inflexible, and had a culture that did not sufficiently promote or recognise innovation. Pusey (1991) argued that there became a need to maintain and better articulate important public service traditions, to enhance the quality of APS leadership and to achieve effective devolution by giving heads of individual agencies much of the control over employment matters. Pusey (1991) also stated that the APS was being unresponsive to these changes in most public sector organisations. The need for further reform resulted in the *Public Service Act 1999*, which was considered a milestone in public sector reform in Australia (Pusey, 1991; Podger, 2002) because it contained a comprehensive set of values and a code of conduct for public servants that redefined or reshaped relationships and personal behaviour in the public sector. This act superseded the *Public Service Reform Act 1984*.

As a result, some public sector values emphasised in the Act related to the APS being apolitical, impartial and professional, employment decisions based on merit, the delivery of effective, impartial and courteous services, the focus on achieving results, effective workplace relationships, and the value of maintaining proper ethical standards (Podger, 2002). To this end, the *Public Service Act 1999* gave effect to a range of proposed reforms and still continues to provide the framework for public sector administration in the different Australian states.

To summarise, Australian governments during this era introduced extensive reforms to organisations. These include: public personnel management, public sector workplace relations, remuneration and employment conditions, and management and operational practices.

According to Considine (1988), these reforms, commonly associated with principles of change management, refer to the paradigm in which policy is set, decisions made and programs conceived, developed, implemented, funded and reviewed. In other words, these reforms are a complex set of ideas about the processes, tools and techniques used to effectively manage public sector employees and the associated issues that surface when implementing organisational change.

### 3.3 The Changing Nature of Organisational Change in the Australian Public Sector

The term ‘management’, according to Flynn (1997), denotes action and engaging in a clear set of policies and procedures. It is a process that involves enlisting people to undertake activities in an efficient and effective manner in the organisation. In a similar vein, Sofo (2000, p. 58) defines management as ‘the art of getting things done through people’. Likewise, the public sector is also concerned with the efficient and effective undertaking of activities within departments and agencies (Flynn, 1997). As a result, Flynn (1997) asserts that it enacts rules and regulations, which are aimed at maximising employee outputs. The public sector attempts to inculcate the kind of behaviour it finds desirable to fulfil its style of management, for example, efficiency, effectiveness and accountability.

Arguably complex in nature, public sector management is generally hierarchical, with bureaucrats who determine the policy and direction to follow and public sector employees who must implement the policies assigned to them. In other words, public sector management encompasses the use of discretionary power from higher-level authority to set the objectives for the public sector. In addition, it recognises some forms of authority to motivate, plan, lead and control the managers to implement policies effectively and efficiently. However, in some instances the distinction is blurred between the policy makers and the managers of policy. Hence, public sector management also emphasises policies and performance as well as procedures or processes (Flynn, 1997). This viewpoint is also expressed by Schiavo-Campo and Sundaram (2001, p. 19) who stated that:

Traditionally, public service was defined by the two Ps of probity and propriety, while recent years have emphasized the two different Ps of policy and performance ... The ‘new paradigm’ of public administration/ management for the 21st century should therefore include all Four Ps: Policy, Performance, Probity and Propriety. Like the legs of a chair, all four are needed to assure the soundness and durability of the [public] system.

It must be noted that governments are instrumental in setting rules and regulations in support of the economic systems they adopt. It must also be stressed that these economic systems are determined by the influence of globalisation. As a result of this, governments are now facing greater uncertainties in the outcomes of predetermined actions from the external environment

as well as the internal environment. In order to successfully counteract these uncertainties, the roles of senior bureaucrats have changed. It is not uncommon for them to now take on the role of both manager and administrator, encompassing the need to satisfy the demands of their employer and their employees. This means that they have to adjust to and meet internal employee demands, and align the interests of these employees to those of the government (Flynn, 1997).

According to Flynn (1997), governments are more willing to provide staff training conducive to the acceptance of the changing public sector environment. This has resulted in most public sector employees undertaking perfunctory roles in the organisation because of professional training and development being offered. These training and development programs are designed to encourage them to act and think critically (Schiavo-Campo and Sundaram, 2001). In practice, most roles involve some form of management and administration, thereby encompassing all Four Ps: Policy, Performance, Probity and Propriety (Schiavo-Campo and Sundaram, 2001). Thus, the current role of most public sector employees has changed to the extent that they now need to possess both management and administration skills in order to become more efficient and effective within a framework of accountability.

Currently, most public sector organisations in Australia use contracts, performance pay, enterprise bargaining, decentralisation and privatisation as a means of maintaining more accountable work practices (Commissioner for Public Employment, 1998). These contrast to the traditional model of public sector management, described by Emy and Hughes (1991, p. 408) as:

1. An administration under the formal control of a minister, based on a formal model of bureaucracy;
2. Staffed by a permanent, neutral and anonymous officials, in what is usually referred to as the career services;
3. Motivated only by public interest;
4. Obeying only the minister's every whim;
5. Serving any governing party equally; and
6. Not contributing to policy but merely administering these policies decided by the political leadership.

Emy and Hughes (1991) depicted the traditional model to be based on two premises, the bureaucratic model of administration and the conventions of accountability and responsibility of the Westminster System. The bureaucratic model, they claimed, is based on Weber's theory of bureaucracy. Weber (1947) saw bureaucracy as an hierarchical body, with set jurisdiction (rules and conduct), whose primary role was to assist an elected official in his or her capacity, as the most efficient form of organisation. Weber (1947) also found shortcomings in this form of structure, namely the production of inertia, the lack of entrepreneurship, excessive policies and processes, substandard performance and inefficiency. The Westminster System, according to Emy and Hughes (1991), tends to have well-disciplined departments that emphasise the conventions of accountability and responsibility. In addition, department heads are totally accountable for all actions of their departments. However, the trend has been a move towards a more fluid structure of management, that is, a 'move away from the concept of a rigid, bureaucratised career service' (Emy and Hughes, 1991, p. 344) towards what is termed as New Public Management (NPM). This concept is discussed below.

### 3.4 New Public Management and its Implication for Change in Government Sector Organisations

New public management is a term widely used to describe the range of reforms that occurred in public administration during the early 1990s (Hood, 1991). NPM has also been termed corporate management or 'corporatisation' (Roberts, 1987; Wanna, O'Faircheallaigh and Weller, 1992), 'managerialism' (Carr, 1994; Dixon, Kouzmin and Korac-Kakabadse, 1999) or 'economic rationalism' (Yeatman, 1997) within Australia, an indication of the extent of the debate about what constitutes NPM. As NPM is now widely used in the literature, it will be used here for consistency and ease of understanding.

In most instances, NPM is used to describe a management culture that focuses on modernising the public sector. NPM also emphasises decentralisation through structural or organisational choices without governments abrogating from the delivery of core services. Thus, 'NPM is not about whether tasks should be undertaken or not. It is about getting things done better' in order to make the public service more efficient and effective (Manning, 2000, p. 1).

The Australian public service, as in Canada and New Zealand, has faced many turbulent times because of globalisation (Tupper, 2001, p. 142), which spurred the government to introduce NPM administrative reforms. Over the last decade, both state and federal governments have adopted new approaches that feature NPM processes and practices because of the belief that to be effective, democratic civil services require radical restructuring, new priorities and an efficient delivery of services (Armstrong, 1997). Private sector management practices were introduced into the public sector, in areas such as contracts, performance pay, enterprise bargaining, decentralisation and privatisation (Laffin, 1995). This approach focused on strengthening the prerogatives of managers, performance indicators, business plans, vision statements, increasing competitive pressures and cost cutting (Tupper, 2001). According to Hood (1991), the two primary focal points of NPM were the introduction of private sector management techniques into the public sector and a predominant emphasis on economics (public choice theory, transaction cost theory and principal-agent theory). Hood's viewpoint is the most authoritative because the literature on NPM clearly reflects that most public sector organisations have introduced private sector management techniques.

Within the NPM framework, management took primacy over any other function, for example, bureaucracy in the organisation. Hence, the key tasks or functions of a good manager within NPM are to:

Set clear objectives, communicate them throughout the organisation, allocate resources to ensure their achievement, control costs, motivate staff, improve efficiency and, especially for senior managers, move strategically and proactively to shape external relationships with customers, suppliers and other organisations. (Pollitt, 1993, p. 5)

According to O'Donnell, Allan and Peetz (1999, p. 2), the adoption of private sector management techniques 'promotes the portability of professional managerial knowledge and the need to increase the freedom available to public service managers to generate results and improve organisational performance'.

According to Hood (1991, pp. 4-5), the NPM model consists of seven elements:

- Increasing the freedom of a professional elite of public sector managers to manage in place of the traditional concerns with policy skills.



- A focus on measuring performance through the establishment of goals, targets and indicators that can be measured quantitatively.
- Increased control over outputs, with an emphasis on the results achieved rather than the process involved.
- The breaking-up of parts of the public sector into agencies that relate to one another on a user-pays principle.
- An emphasis on increased competitive pressures within the public sector through tendering processes, the development of quasi-markets for those areas not privatised and the introduction of short-term contracts of employment.
- An increased emphasis on introducing management techniques and practices from the private sector and increasing management's ability to hire and fire and reward public service workers.
- An emphasis on cost cutting and rationalisation, or 'doing more with less'.

Tupper's (2001, pp. 4-5) description of the core principle of NPM is that governments must 'steer not row', meaning governments must establish basic priorities that 'steer' so that the 'rowing' can be done by the civil service. This could be achieved through 'partnerships, complex forms of privatisation and contracting out and innovative mechanisms for co-production of government services' (Tupper, 2001, p. 5). NPM must have clearly defined organisational objectives in order to alleviate the misallocation of scarce resources. Engagement in business planning leads to the appropriate selection of products and priorities, which in turn will lead to the allocation of resources accordingly. Additionally, continuous quantified measurement of progress demands the use of appropriate performance indicators that will inform administrators of the success of their policies. The use of 'benchmarking' is also appropriate as it can 'evaluate organisational effectiveness against allegedly comparable organisations' (Tupper, 2001, p. 5). Government agencies must give priority to the responses of citizens, while front-line workers must be given greater say in decision-making processes because they are 'close to the action' (Tupper, 2001, p. 5).

Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) expanded on the above and identified four distinctive NPM 'models'. O'Donnell, Allan and Peetz (1999, pp. 3-4) describe these 'models' as such:

- The first model, The Efficiency Drive, involves the introduction of private sector management practices into the public sector. Here, the emphasis is on ‘increased financial controls ... the monitoring of practices, the introduction of bench-marking, a greater customer focus, a shift in power from professionals to management and attempts to marginalise trade unions’ (O’Donnell, Allan and Peetz, 1999, p. 3).
- The second model, Downsizing and Decentralisation, emphasises reducing the number of employees in the public sector, the decentralisation of financial budgets and contracting out services. Focus is also concentrated on ‘the introduction of quasi-markets’ and distinguishing the purchaser from the organisations providing the service (O’Donnell, Allan and Peetz, 1999, p. 3).
- The third model, In Search of Excellence, concentrates on ‘changing the organisational culture of the public sector’ (O’Donnell, Allan and Peetz, 1999, p. 3). Emphasis is given to changing the view that public sector organisations are primarily ‘top-down’ to the alternative, ‘bottom-up’ impression, whereby new concepts are introduced, like a new culture which views public sector organisations as ‘learning organisations’ (O’Donnell, Allan and Peetz, 1999, p. 3).
- The fourth model, Public Service Orientation, is primarily concerned with merging ‘a range of public and private sector management approaches’ (O’Donnell, Allan and Peetz 1999, pp. 3-4). Managers in public sector organisations are encouraged to become ‘more entrepreneurial, results-oriented and mission driven’ (O’Donnell, Allan and Peetz, 1999, p. 4). Emphasis is also given to providing quality public services driven by quality management initiatives.

According to Manning (2000, p. 1):

NPM was conceived as a means to improve efficiency and responsiveness to political principals. Its origins were in parliamentary democracies with curiously strong executive powers, centralised governments and little administrative law. In this archetypal setting, NPM seems to embody the idea of a cascading chain of contracts leading to a single (usually Ministerial) principal who is interested in getting better results within a sector portfolio over which he or she has significant and relatively unchallenged authority.

### 3.4.1 Criticisms of New Public Management

New Public Management and the reforms associated with it have not been without criticism. A consideration of these criticisms is pertinent, as they will have implications for the work and focus of public sector employees, who are still adapting to the changes brought about by NPM.

In essence, some of the criticisms levelled against NPM are:

*Narrowness of management focus:* Management focus in the public sector environment is narrow in nature because it uses only a select set of private sector management principles (Harrow and Willcocks, 1990; Wilenski, 1988).

*Lack of consideration of public sector environment:* According to Mintzberg (1996) and Trosa (1997), public management reform has not taken into account the unique features of the public sector environment because it deals ineffectively and at times ambiguously with issues related to the provision of goods to customers; professional services for clients; citizens' rights; and employee obligations to government. NPM also does not adequately account for long-term issues for which there are no clear solutions (Romzek and Ingraham, 1994). It is for this reason that Metcalfe (1993) considered problems dealt with by the public sector to be much more difficult than those faced by businesses.

*Separation from the political context:* A further criticism highlighted by Mintzberg (1996) was the inability to separate public administration from the political process although much of NPM is an attempt to do so, particularly in terms of accountability mechanisms. Holmes (1989) also found difficulty with accountability mechanisms, questioning the means by which heads of agencies and senior managers were held accountable. Hood (1991) predicted the possible erosion of public sector ethics and neutrality through the abolition of devices such as fixed salaries and permanence of tenure that had been designed to ensure public accountability.

*Over-reliance on economics:* Dror (1992) was critical of the reliance on economic theory, suggesting instead the synthesis of economic theory, decision theory and systems theory with

political science and public administration, to create a greater benefit to public decision-making. Orchard (1998) argued that the focus on private markets and individual choice at the heart of NPM reduced the focus of public management to questions of the measurable, to products and to authority. In doing so, it ignored the complexities associated with government. Davis (1996) argued similarly that NPM reduced the relationship between politics and the people to one of economics, through for example, citizens' rights.

*Overemphasis on the legal:* Through its use of contracts and legal standards on regulation, NPM leads to what Hood (1995) called 'juridification'. He considered that one possible outcome from this approach was the increasing involvement of courts in contracts. As rules, due process and appropriate procedures are the opposite of the managerialist push; contradictory tensions may be created (Hood, 1995).

These criticisms pose relatively fundamental questions about NPM in the public sector environment. They bring in to question the theoretical and practical basis of the management and economic influences underlying NPM and outcomes achieved to date.

Stemming from the above discussions, it must be noted that successful change is dependent on the quality of implementation, the interpretation of different points of view, the degree of support offered by the initiators of change and on the credibility of the principles of the change approach (University of Luton, 2004). In other words, successful reforms in the public sector are dependent upon instrumental and planned changes to overall structuring and functioning that result in efficiency and effectiveness (Brunsson and Olsen, 1990).

There have also been other varying viewpoints on public sector reforms. For Osborne and Gaebler (1992) public sector reform is characterised by flexibility, adaptability and customer orientation, all of which are likewise synonymous with the private sector. Dunleavy and Hood (1994) focussed primarily on reforms in the public sector, whilst others such as Eliassen and Kooiman (1990) concentrated on aspects of implementation. Pollitt (1990, p. 82) viewed these reforms as 'policy borrowing' whereby the public sector imports and implements ideas formulated in the private sector. These in turn lead to modifications in the behaviours, strategies, types of reform, and culture of public sector organisations based on contemporary trends.

### 3.5 Contemporary Trends in Australian Public Sector Management

As stated previously, the pace of global economic, social, political and technological development has resulted in change becoming an inevitable feature of organisational life (Whitely, 1995). Change that happens to an organisation must be distinguished from change that is planned. Organisations can use planned change to solve problems; to learn from experience; to reframe shared perceptions; to adapt to external environmental changes; to improve performance; and to influence future changes. Conceptions of planned change have tended to focus on the implementation of change and how this impacts on both private and public sector organisations.

It must be reiterated that during the 1980s, there were community expectations and political pressure for public sector agencies to provide better services with fewer resources (Keating, 1990; Wanna, O'Faircheallaigh and Weller, 1992). Micklethwait and Wooldridge (1996) maintained that one effect of these expectations, as perceived in the media, was the lack of confidence on the part of both the public and private sectors on how to address change. They also maintain that there were three causes of the public sector's new obsession with management theory. First, it was a response to an apparent lack of faith with the public sector, contrasted by a resurgence of faith in the private sector. Next, an appetite for new management approaches came from an imperative of 'doing more with less' (Micklethwait and Wooldridge, 1996, p. 25). Finally, there was a perception from within the public sector that the need for information technology forced ongoing organisational repositioning (Micklethwait and Wooldridge, 1996). NPM emphasises the diffusion of Internet-based technologies because information, communication and technology are regarded as a tool to introduce a process of rationalisation of public sector organisations and to customise public services (Hammer, 1990; Chadwick and May, 2003). Fountain (2001) argued that the use of modern information technologies that NPM prescribes, affect the chief characteristics of the classic public administration paradigm, and therefore, they reshape the production, coordination, control and direction processes that take place within the public sector. Dunleavy and Margetts (2002) maintained that information technology in the public services has expanded to the extent that it has become a major issue in public sector organisations.

The Australian Government continued a process of organisational change in the Australian Public Service with the broad objectives of ensuring that it became efficient, flexible, cooperative, worked efficiently with external stakeholders and that it was up to date with emerging technologies and contemporary innovations. Caiden (1991) provided eight maxims of public sector reform adopted by the Australian government in regards to organisational change. Caiden's (1991, pp. 12-14) maxims stated that the principles that bring impetus for change are 'corporate board identity; streamlining; managing or executive directors; service wide financial and personal management systems; managerial elitism; bureaucratisation of the public service; commercialisation; and managerial culture'. Such approaches facilitated the introduction of a diverse range of management practices from downsizing and outsourcing to the granting of more responsibility to employees and collaborative teamwork.

Whilst these management theories and their customised versions have underpinned significant management changes in the public sector over the past 20 years, there has been criticisms of them and their advocates (Halligan, Mackintosh and Watson, 1996). These critical perspectives were typified in two comments from Commonwealth public service secretaries about fads and fashions in new management concepts (Halligan, Mackintosh and Watson, 1996, pp. 10-11):

I always get a bit weary when we get to the 'What do you think about the latest shaft of light the management purists would throw on or against our work?' Whether it's TQM or MBO (management by objectives) or quality management or the learning organisation – all this stuff – I read it all and I just feel old, and I felt like that at the age of twenty.

Re-engineering would be the other jargon phrase. But there are a lot of jargon phrases. My guess is that re-engineering as is popularly sold is losing favour a bit. But that doesn't mean that the basics of re-engineering aren't right. That you look at what you're trying to genuinely do and try to find better ways of achieving, and all those sorts of things, if they're basic and fundamental you should have been doing them all the time.

Halligan et al. (1996) maintained that the above views reflect that management practices are open to different interpretations among public service employees, implying that there is a large gap between the rhetoric and reality. Conversely, writers like Hilmer and Donaldson (1996) take a more pragmatic approach to the application of management theory and state that good managers need to engage in proper conduct whilst creating an environment with a

diversity of approaches and maintaining a focus on strategic planning. Recognising the diversity of organisational cultures, Mintzberg (1994) concluded that it is inappropriate to prescribe one type of planning for all. He argued that theoretical formalisation of strategic planning can be as counter-productive as no planning at all because:

Organisations differ, just as do animals, it makes no more sense to prescribe one kind of planning for all organisations than it does to prescribe one kind of housing for all mammals. (Mintzberg, 1994, p. 397)

The Taskforce on Management Improvement (1992), an evaluation of a decade of management reform in the Australian public service, also rejected the grand design approach to management, particularly as it is applied to leadership. It argued for multi-skilled, multi-styled management approaches as a response to the unlimited situational complexity of organisations and concludes that much of the management change in that period related to structures, rules and procedure. In essence, the Taskforce on Management Improvement (1992) concluded that the direction of change was correct; changes were well accepted, and had many positive effects as well as some costs; and further changes needed to be undertaken.

Sinclair (1989) made the point that the application of management theory has, in the past twenty years, contributed to the nature and speed of public sector reform. Sinclair maintained that perceptions regarding its effectiveness appear to be linked to several factors. First, applied theoretical prescriptions and the jargon that communicates them, do not directly relate to the situational complexity of public sector organisations. It is for this reason that Schein (1980) argued that management theory was most useful when customised to meet local needs. The reforms resulting from the application of management processes, such as restructuring and process re-engineering, often have a superficial effect and do not impact on organisational culture. Wright (1995) noted that senior civil servants have in almost every case themselves been crucial actors in the reform programs. In some countries, for example Australia, New Zealand and Finland, senior civil servants have been the prime moving force in generating reform ideas and pushing for their implementation.

To reiterate, significant changes have been made to the public sector in Australia as part of a reform agenda that has now spanned two decades. Governments are increasingly focusing on

producing a better performing and more responsive public sector. Particular emphasis has been placed on improving service delivery. The community has heightened expectations that public agencies will provide quality services that are responsive, relevant, accessible and accountable. Hopefully, these will be provided at lower cost and engage constructive collaboration with public service employees, thereby creating an inclusive work culture. It must be stated that in order to achieve these significant changes, public sector organisations must embrace a model of change that would ensure organisational effectiveness and efficiency. The achievement of these significant changes is dependent upon successful implementation of government reform policies.

### 3.6 A Chronology of Changes in the Australian Public Service (APS)

Since the establishment of the Commonwealth at the beginning of the 20th century, the Australian Public Service experienced incremental change until the mid 1970s. However, the last thirty-five years have brought quick and significant change to the APS.

According to Verspaansdonk, Holland and Horne (2010, p. 2), traditionally, the public service was characterised by the following:

- An emphasis on processes and inputs
- A distinctive ‘public service’ approach to organisation and service delivery
- Male domination (until 1966, female employees were required to resign on marriage)
- Security of employment
- A near-monopoly on policy advice to governments
- An entrenched system of preference for those already employed by the public service, and
- Central control of personnel practices and conditions.

In 1974, a Royal Commission was established by the Prime Minister to examine the workings of the APS. The findings of the Royal Commission resulted in several recommendations for change. This in turn, led to significant public service change since 1975. The impact of these changes is better understood in terms of ‘public administration’ which later became known as



‘public management’. Hughes (1998, p. 366) stated that the difference in the two terms can be described as such: ‘managers are now responsible for results, where administrators simply carry out the instructions of others’. Likewise, Halligan and Power (1992, p. viii) describe management as ‘the direct and efficient harnessing of scarce resources to the attainment of clearly defined organizational outputs’.

In 1983, the Labor government developed its own reform agenda for the APS. A White Paper set out the government’s priorities and incorporated the main themes of earlier inquiries including:

1. Reassessing the roles of central agencies.
2. More effective central management.
3. Creation of a Senior Executive Service.
4. Improving the allocation of resources.
5. Increased responsiveness to the elected government.
6. Providing an equal opportunity for all Australian citizens to compete for positions in the APS (Australian Public Service Commission, 2003).

The result was the Public Service Reform Act 1984 which highlighted the need for a more open and efficient public service. Devolution, deregulation and the integration of the APS into the national industrial relations and employment framework were all strong focuses of the reforms. This act also provided a legislative basis for the establishment of the Senior Executive Service (SES) as a cohesive senior management group sharing core leadership skills and values.

In June 1996, the government’s reform intentions for the APS were translated in a discussion paper entitled, *Towards a best practice Australian Public Service*. Amongst others, the suggested reforms in this paper related to the maintenance and articulation of better public service traditions; enhancing the quality of APS leadership; and the achievement of effective devolution by delegating more control to agency heads over employment matters.

In essence, the *Public Service Act 1999* was characterised by:

- flexibility regarding processes, accountability for outputs and outcomes, and a strong emphasis on efficiency
- similarity with the private sector in organisation and service delivery, and increased use of the private sector to deliver services
- a more diverse workforce, particularly at senior levels
- increasing use of contract employment and greater scope for public servants to be dismissed
- the generation of policy work being shared with political advisers and consultants
- employment opportunities at all levels for people not currently employed by the public service
- enhanced political control of the bureaucracy
- devolution of resource management and personnel practices and conditions
- a variety of avenues for citizens to obtain information and/or redress, and
- decentralisation of budget responsibilities. (Verspaansdonk, Holland and Horne, 2010, p. 3)

For Hughes (2000), the driving forces behind this new approach to public service management included social changes that now highlighted new expectations of government and government employment; the questioning of whether centralised bureaucracies adequately understand the needs of citizens; trends in public sector management in the United Kingdom and New Zealand; the ascendancy of arguments for smaller government; a growing belief in the virtue of fiscal austerity; and advances in telecommunications and information technology.

According to Podger (2005), the *Public Service Act 1999* was the first act to codify a series of ‘values’ for the APS. However, since the passing of this act, there has been some criticism of the final set of values enacted. Podger (2005) queries whether the ‘package of 15 multifaceted values actually provides a coherent and effective basis on which to manage the Australian Public Service (cited in Verspaansdonk, Holland and Horne, 2010, p. 4).

However, the Australian government has, over the past four decades, introduced changes to the APS to address the challenges of a rapidly-changing world. To iterate, the two major

pieces of legislation —the *Public Service Reform Act 1984* and the *Public Service Act 1999* — and the findings of a number of inquiries and taskforces are evident of the changing nature of the APS. Some of these change initiatives worthy of mention at this point are outlined in the Table 3.1 below.

Table: 3.1 The changing nature of the APS – 2000 to 2010

Year	Changes Implemented
<b>2000</b>	Market testing of Commonwealth activities and services undertaken by DoFA and the Office of Asset Sales and Information Technology Outsourcing.
<b>2001</b>	APS agencies are to report twice a year on contracts greater than \$100 000 in value.  <i>State of the Service Statistical Bulletin</i> for 2000–01 released: <ul style="list-style-type: none"> <li>• Proportion of women in the public service reached 50 per cent.</li> <li>• Long-term decline in the total number of public servants had halted.</li> </ul>
<b>2002</b>	Launch of the <a href="http://www.australia.gov.au">www.australia.gov.au</a> website.  The PSMPC now called the Australian Public Service Commission (APSC). Priority given to: <ul style="list-style-type: none"> <li>• Indigenous employment in the APS.</li> <li>• Evaluation responsibilities and partnerships with agencies to improve management practices.</li> </ul>
<b>2003</b>	The 2003–04 Budget scrapped Capital Use Charge and the ABIS. End of accrual budgeting. Agencies allocated money as and when they needed it and were no longer responsible for the custody of funds.  Uhrig review of the corporate governance of statutory authorities and office holders. Recommendations: <ul style="list-style-type: none"> <li>• Drawing up of mechanisms for the clarification of government expectations of statutory authorities.</li> <li>• Statutory authorities subject to the Financial Management and Accountability Act 1997 and Commonwealth Authorities and Companies Act 1997.</li> </ul>
<b>2004</b>	Acceptance of Uhrig's recommendations. Commencement of progressive implementation.  Introduction of revised government procurement guidelines. Agencies now required to publish annual procurement plans.
<b>2005</b>	The Australian Government Property Principles replaced by the Australian Government Property Ownership Framework.
<b>2007</b>	Appointments of departmental secretaries will be for five years.  Introduction of guidelines for APS employees participating in public information activities and government advertising.

**Table: 3.1 The changing nature of the APS – 2000 to 2010 (continued)**

<p><b>2008</b></p>	<p>The APS <i>Australian Government Bargaining Framework</i> is amended.</p> <p>APS agency head and statutory office vacancies to be advertised and subject to a formal merit assessment process.</p> <p>Government announces greater coordination of government procurement.</p> <p>The 2008–09 Budget imposes a one-off additional two per cent efficiency dividend on most government agencies.</p> <p>Senate orders that ministers are to regularly table lists of government appointments to departments and agencies and approved grants.</p> <p>Performance bonuses for departmental secretaries cease to be available.</p> <p>Gershon review of government use and management of ICT. Recommendations:</p> <ul style="list-style-type: none"> <li>• Establishment of an ICT Ministerial Committee for whole-of-government ICT policy</li> <li>• A reduction in business-as-usual ICT expenditure with reinvestment of half of the savings to make ICT business-as-usual activities more efficient and effective</li> <li>• Creation of an APS ICT career structure and increasing the number of APS ICT staff with a reduction in the use of ICT contractors, and</li> <li>• Development of a whole-of-government ICT sustainability plan.</li> </ul> <p>Introduction of new procurement guidelines.</p> <p>Gershon’s recommendations accepted.</p> <p>Completion of inquiry by the Joint Committee of Public Accounts and Audit (JCPAA) into the effect of the ongoing efficiency dividend on smaller agencies.</p>
<p><b>2009</b></p>	<p>The House of Representatives Standing Committee on Legal and Constitutional Affairs completes an inquiry into protection for whistle blowing in the Commonwealth public sector.</p> <p>Introduction of standalone legislation providing protection for whistleblowers in the Commonwealth public sector.</p> <p>A revised <i>Commonwealth Property Disposals Policy</i> issued.</p> <p>The <i>Australian Government Procurement Statement</i> released.</p> <p>Introduction of the new APS <i>Australian Government Bargaining Framework</i> is introduced.</p> <p>Introduction of the new <i>Commonwealth Management Guidelines</i>. All agencies were required to have property management plans in place by 1 October 2010. The government-appointed Government 2.0 Taskforce (appointed June 2009) completes its investigation into the use of web 2.0 by government. Recommendations relating to various matters including public sector information openness and accessibility, online engagement of agencies and public servants, and adoption and use of web 2.0 tools by agencies. The government made a declaration of open government regarding the release of public sector information, technology use for citizen engagement in policy-making and service provision, and online engagement by public servants.</p>

**Table: 3.1 The changing nature of the APS – 2000 to 2010 (continued)**

<p><b>2010</b></p>	<p>The government responds to the JCPAA efficiency dividend inquiry recommendations, namely:</p> <ul style="list-style-type: none"> <li>• The rejection of agencies' appropriations be partially exempted from the efficiency dividend.</li> <li>• The acceptance of the development of a new funding model for cultural agencies.</li> </ul> <p>The Australian Information Commissioner is appointed.</p> <p>The Office of the Australian Information Commissioner commenced operations on 1 November 2010.</p> <p>The government-appointed Advisory Group on Reform of Australian Government Administration (AGRAGA) proposed a blueprint for reform of the APS. Recommendations included:</p> <ul style="list-style-type: none"> <li>• Restructuring the APSC and augmenting its role.</li> <li>• Revising employment arrangements for secretaries.</li> <li>• Reviewing the size and role of the SES.</li> <li>• Revising and embedding the APS Values</li> <li>• Periodic reviews of agencies' institutional capabilities, and reviewing existing efficiency mechanisms within the APS such as the efficiency dividend.</li> </ul> <p>The government agrees with many of the recommendations of the HRSCACA inquiry report on whistleblower protection and announces that it will introduce standalone whistleblower protection legislation in 2010.</p> <p>The government agrees with most of the recommendations of the Government 2.0 Taskforce.</p> <p>The government accepts all of the recommendations of the AGRAGA blueprint.</p> <p>Further to the AGRAGA blueprint recommendations, the 2010–11 Budget provides the APSC with increased funding over 2010–13. The APSC's augmented role will include:</p> <ul style="list-style-type: none"> <li>• Implementation of half of the AGRAGA recommendations and reporting to government on the overall implementation of the APS reforms.</li> <li>• Provision of some centralised services to the APS, and assumption of the policy function for APS (agreement-making, classification structures, pay and employment conditions, work level standards and workplace relations advice).</li> </ul> <p>The APSC commences the process of revising the APS Values.</p> <p>The Secretaries Board (consisting of all departmental secretaries and the APS Commissioner) is established. The Secretaries Board is intended to supersede the Management Advisory Committee and Portfolio Secretaries meeting. A new leadership forum, the APS 200 (comprising senior SES staff from a range of APS agencies) is also established.</p> <p>The government makes a Declaration of Open Government. The Declaration commits the government to open government based on a culture of engagement and that APS agencies will develop policies that support employee-initiated, innovative Government 2.0-based</p>
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	<p>proposals. <i>Table 3.1 (continued)</i></p> <p>Following the 2010 general election the government agreed to a greater emphasis on regional affairs and policy. Changes for the APS included the establishment of:</p> <ul style="list-style-type: none"> <li>• A dedicated department of Regional Australia, Regional Development and Local Government.</li> <li>• A coordinating unit within the Department of the Prime Minister and Cabinet, and an agency to provide advice to the public on regional health and aged care.</li> </ul>
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Source: Adapted from Verspaansdonk, Holland and Horne, 2010.

At the ANZSOG Conference 2010, the Australian Public Service Commissioner, Stephen Sedgwick stated that in a recent publication, the OECD identified five key lessons to emerge from a study of global public sector reform initiatives:

- The importance of raising citizen awareness of, and support for, reform through public debates and consultation strategies.
- The need to consult extensively with public servants affected by reform.
- The requirement to reduce uncertainty, and therefore opposition to reform, by allowing it to proceed in stages, that is, ‘incrementally’.
- The need for permanent, independent organisations for steering reform, especially after the initial stages in order to prevent incrementalism giving way to inertia and reform stalling.
- The importance of individual national jurisdictions supporting and collaborating with international public sector research organisations in information sharing and evaluating research approaches and progress. (OECD, 2010, pp. 27-28)

Stemming from this, Sedgwick (2010b) reported that leaders in the Australian Public Services had revised existing policies and programs and developed new ones. Also, as part of this process, public service leaders have sought to learn from past initiatives when framing new reform proposals. The outcomes of the recent review of the Australian Public Service reflect elements of continuity and change with key themes from earlier public sector reforms as far back as the 1970s. Sedgwick (2010b, pp. 4-5) also mentioned that ‘successive generations of public servants [were] constantly called upon to adjust their thinking and practices to respond to the changing needs and expectations of their communities and to

exploit new options to solve problems as technology (including administrative technology) changes’.

Sedgwick (2010b) wrote that the above changes that have occurred in the Australian Public Service was because of the need by successive governments to create an efficient and effective APS. However, he did concede that:

No single reform approach ever has all the answers – partly because our external environment is never static and neither should the public service be static; and partly because the balance between centralisation and decentralisation shifts over time. (Sedgwick, 2010b, p. 5)

According to Sedgwick (2010b, p. 5), several forces have shaped the Australian Public Service over the last four decades, namely:

- New service delivery opportunities, cost saving opportunities and accountabilities demands created by information and communications technology.
- Globalization.
- A more contestable policy formulation and service delivery environment, and
- Increasing community expectations of government and growing intolerance of poor performance, whether in direct provision of services or through regulation.

Furthermore, in response to ‘reinvention of government’, the Australian government has adopted ‘a more agile and flexible approach to public policy and a high level of responsiveness to society’s needs’ (Sedgwick, 2010a, p. 6). Sedgwick (2010a, p. 8) also stated that:

The domestic and international environments in which nations now operate presents political and public sector leaders with a number of pressing challenges. These have become known as “wicked” problems and include, in [Australia’s] case, nationwide water shortages occasioned by an unusually long drought; concern about some seemingly intractable, multi-faceted social issues such as Indigenous disadvantage, homelessness and mental health; and growing international attention to problems such as global climate change and security challenges.

Stemming from these concerns, an Advisory Group was appointed in September 2009 to develop a blueprint for major reform of the APS. The Advisory Group's report entitled, *Ahead of the Game: Blueprint for the Reform of Australian Government Administration* (Advisory Group on Reform of Australian Government Administration, 2010) contains 28 recommendations across four themes. These recommendations were accepted by the government in May 2011. In essence, *Ahead of the Game* report sets out a comprehensive change strategy for the APS that re-emphasises that the needs and requirements of citizens have to be at the centre of service design and delivery; challenges the APS to be more forward looking; calls on senior leaders of the APS to look at how programs are designed and delivered; the minimisation of regulatory burdens; designing programs that are convenient for the citizens rather than for public servants; the re-examination of agency accountability; the finding of better ways to join government services; and the strengthening of the APS to provide strategic advice with regard to the difficult challenges of the day (Sedgwick, 2010a, p. 9).

Thus, according to Sedgwick (2010a, pp. 9-10), *Ahead of the Game*:

puts renewed emphasis on the fact that the APS is a long-lived institution with responsibilities to the future and not just the present—that it needs to develop resilience in the face of the unexpected and to develop policy making capability ahead of predictable need—in other words, to look towards tomorrow and see what issues might emerge in future that we should begin to research today, ahead of need.

The main components of *Ahead of the Game* include a world-class public service that meets the needs of Australian citizens; a high performing public service that provides strong leadership and strategic direction; a high performing public service distinguished by a highly capable workforce; and a high performing public service that operates efficiently and at a consistently high standard. Thus, *Ahead of the Game* seeks to implement change in the Australian Public Service in the following areas: deliver better services for Australian citizens; create more open government; enhance policy capability; reinvigorate strategic leadership; introduce a new Australian Public Service Commission (APSC) to drive change and provide strategic planning; clarify and align employment conditions; strengthen workforce planning and development; ensure agency agility, capability and effectiveness; and improve agency efficiency (Advisory Group on Reform of Australian Government Administration, 2010, pp. 1-4).



To reiterate, significant changes have been made to the public sector in Australia as part of a reform agenda that has now spanned two decades. Governments are increasingly focusing on producing a better performing and more responsive public sector. Particular emphasis has been placed on improving service delivery. The community has heightened expectations that public agencies will provide quality services that are responsive, relevant, accessible and accountable. Hopefully, these will be provided at lower cost and engage constructive collaboration with public service employees, thereby creating an inclusive work culture. It must be stated that in order to achieve these significant changes, public sector organisations must embrace a model of change that would ensure organisational effectiveness and efficiency. The achievement of these significant changes is dependent upon successful implementation of government reform policies.

### 3.7 A Bureaucratic Approach to Public Sector Reform

As stated previously in the discussion on transformational change, organisational change has a proliferation of models and approaches. Transformational models are a subset of these and similar adapted approaches are widely deployed by a large number of public sector organisations. In other words, some of these organisations continue to adopt and modify the traditional and contemporary models of change, based on the principles of effectiveness and efficiency. According to Albrow (1989), effectiveness and efficiency is achieved through the division and specialisation of labour, a hierarchal management structure with definite roles and rules, and the discouragement of the use of official titles for personal gain. Albrow (1989) maintained that efficiency and effectiveness is achieved using the Weberian (bureaucratic) model of administrative theory in contrast to NPM. For example, Max Weber formulated a theory of 'bureaucracy' whereby he envisioned the creation of distinct professional services 'recruited and appointed by merit, politically neutral, which would remain in office throughout changes in government' (Hughes, 2003, p. 20). Lane (1993) elaborated by identifying the following principles associated with this model:

- The tasks of public institutions are to be decided by politicians but executed by administrators.
- Administration is based on written documents, and this tends to make the office (bureau) the heart of modern government.
- Public tasks are organised on a continuous rule-governed basis.

- The rules according to which work is conducted may be either technical or legal. In both cases, trained individuals are necessary.
- The tasks or functions are divided into functionally distinct spheres, each furnished with a requisite authority and sanctions.
- Offices, as well as tasks, are arranged hierarchically; there is a preference for centralisation, all other things being equal.
- The resources of the organisation are quite distinct from those of the members, as private individuals and the office holder cannot appropriate their office for private aims.
- In the public sector, there is one dominating interest, the public interest, which sets limits on the influence of self-interest in politics and administration.
- Public employees are expected to have a vocation or a sense of duty to fulfil the obligations of their roles. (Aulich, Halligan and Nutley, 2001, p. 12)

This model of public administration was criticised as it is impractical and improper to compare politics and policy making with public sector administration (Ostrom, 1989; Hood, 1991; Sturgess, 1996; Dunleavy and O'Leary, 1997). In this respect, these writers maintained that public administration is bureaucratic because public sector employees have to adhere to a strict conduct of rules and regulations that will result in the achievement of goals and employee effectiveness. However, some bureaucrats have difficulty in rectifying past mistakes and also procrastinate when it comes to implementing and adapting to new change processes that benefit the organisation (Aulich, Halligan Nutley, 2001). Furthermore, public sector employees have to adhere to a set of value systems that are based on self-interest that favours remuneration, employee status and hierarchical power in the organisation (Tullock, 1970). Crook (1997, p. 19), stated that 'what matters is to know whether, in practice, imperfect [public sector] organisations work better than imperfect [bureaucracies]'. Thus, for Crook (1997), in order for public sector organisations to be effective and efficient, emphasis must be placed on both management and administration, where the former focuses on the achievement of goals rather than strict adherence to policy, processes and practice. In essence, this means giving managers the autonomy to manage and administer. Whilst the viewpoints of Albrow (1989), Hughes (2003), Lane (1993), Aulich, Halligan and Nutley (2001), Ostrom (1989), Hood (1991), Sturgess (1996), Dunleavy and O'Leary (1997),

Tullock (1970) and Crook (1997) on models of public sector reform are relevant in the context of this study, organisational change in Australia specifically has also received a degree of criticism.

### 3.8 A Critique of Organisational Change in the Australian Public Sector

There are at least three major, but contradictory, criticisms about public sector reform in the Australian context. First, public sector reforms based on a corporate framework or managerialism, face criticisms from writers such as Mascarenhas (1990), Hood (1991) and Pollitt (1990) who have referred to them as ‘neo-Taylorism’ – a revamping of the scientific management approach to organisations.

Second, Considine (1988) criticised public sector reforms in terms of three concepts underlying the reform framework. The first of these concepts is product format, that places an emphasis on outputs rather than on the traditional focus of inputs. He maintains that product format makes it difficult to include public sector activities that fall outside the purview of economic criteria. His second criticism was levelled against instrumentalism whereby the organisation becomes a tool (or instrument) of senior management and the Minister. Instrumentalism ‘promotes a severely hierarchical approach to the public sector’ (Considine, 1988 p. 14), resulting in areas that rely on flexible routines becoming ‘marginalised’. Writers on organisational change have suggested that most public sector organisations have become overly bureaucratic and less responsive to change (Considine, 1988). The third criticism refers to the concept of purposeful action, which replaces the Weberian concept of legal rationality with that of economic rationality. In the context of change in public sector organisations, economic rationality focuses on outputs and products rather than bureaucratic rules and favours prescription rather than formal direction. Furthermore, Considine (1988) states that purposeful action is over-optimistic with regard to technical rationality, is a threat to democratic processes and restricts groups that can bring about meaningful reform.

Finally, Deegan (1995) and Theobald (1997) criticised public service reform on the basis that it inhibits innovation. They refer to this as a dysfunctional consequence of managerialism and contend that this approach results in a task orientation to work. For example, performance

evaluation of management may lead to a short-term focus on operational activities in order to receive a favourable performance report. This may inhibit more innovative activities that are seen as having a greater risk of failure. Theobold (1997) also discussed the difficulty of simply transposing private sector practices to the public sector. He expresses concern about the flexibility of public sector organisations' regard to ethics. Further, Theobold (1997) argued that importing business cultures from the private sector leads to the abuse of ethics by public servants.

The literature on change in the Australian public sector suggests that public sector reforms require the adoption of management techniques that are more like those of the private sector (Broadbent, Dietrich and Laughlin, 1996) and a shift in emphasis towards a market-line based institutional framework and adoption of contract relationships. According to Walsh (1995), virtues of operating through contracts include making work roles explicit and the creation of appropriate incentives for all employees. Argy (2001) claimed that many public sector reforms directly affected accountability, outputs and outcomes. In Peters and Pierre's (2000) view, other reforms have fostered positive relations with clients and have reduced the numbers of public servants, including those at managerial levels.

### 3.9 Public Sector Change in the South Australian context

Using the formal framework of the *Public Service Act 1999*, the South Australian government has focused primarily on the roles and functions of public service agencies; the responsibilities of these agencies; their operational efficiency and effectiveness; and the manner in which they respond to a plurality of demands and how they serve both government and community (Nethercote, 2003).

As an example of state-level change in a public sector, South Australia is considered as it is the location of the case study in following chapters. The South Australian public sector has been subject to three major reviews: the Corbett review, the Guerin report and the South Australian Public Service review (Verspaandonk, 2001). These reviews and reports are discussed in the subsections that follow. However, it must be noted that whilst the first review and report included significant amounts of consultation, the third wave of reform did not include this level of consultation and involved the passing of new legislation governing

public sector management. This was in keeping with the Labor government policy at that time.

### 3.9.1 The Corbett Review – 1980

The Corbett Review was undertaken in 1980 by Professor David Corbett, who made an inquiry into the structure, effectiveness and efficiency of the South Australian Public Service. The committee formed was charged with promoting changes to the practice, conditions, structure, classification and functions that would improve the efficiency of the Service.

Many of the recommendations stemming from the review, particularly those relating to training, generic management and devolution are regarded as the first signs of managerialism in the structure and functioning of the South Australian government. These recommendations, in spite of their shortcomings, were closely aligned to the core principles and elements of NPM. A critique of the Corbett Review is discussed later in this section. The following key recommendations made by the committee were:

- The need for improved communication and coordination;
- Greater HR responsibility to departmental heads;
- Restructured departments based on needs;
- Performance management; improved financial accountability; and
- Contract employment for all public sector employees.

The committee also acknowledged that the role of public servants had extended beyond its former function of simply implementing the direction of the Minister or government of the day to incorporate a policy in coordination role (Thompson, 1976). It was also recognised that governments would require expert advice from employees and would need to be integrated with role functions within the public service. The premise was that all public sector employees would be competent in the delivery of public services as well the culture of the community it was serving.

Although many of these recommendations were not implemented at that time because of financial constraints on the then government, almost all are now common practice in the state's public sector, some twenty-five years on. For example, equal opportunity, restructured

departments, performance management, improved financial accountability, contract employment and departmental control of staff (Verspaandonk, 2001).

### 3.9.2 The Guerin Review – 1983 to 1984

In 1983 and 1984, a review committee under the chairmanship of Mr Bruce Guerin of the Department of Premier and Cabinet investigated the rationale of the 33 self-focussing state departments to other departments within the public sector. The government had acknowledged that the public service had become too disparate to operate effectively and only a small percentage of staff was subject to the conditions of the *Public Service Act*.

Adopting principles of managerialism, the review proposed reforms intent on increasing both the authority and accountability of managers for their department's role and function. To achieve this, managers were to receive greater resources to deliver their services. The review focused on the introduction of private sector management practices into the public sector with the view of measuring performance, increasing competitive pressures and cost-cutting (O'Donnell, Allan, and Peetz, 1999). Furthermore, the review called attention to the following:

- To tighter resource constraint; economic recession;
- Simultaneous demands for increased service delivery and decreased spending;
- Shifts in priorities and changing demands imposed by successive governments; and
- Persistent attacks on the size, efficiency, responsiveness and legitimacy of government services. There was also a call for more coordination and cooperation between departments.

Thus, the need for fundamental reform for managers within the public service was also seen as a priority. The aim of the proposed reforms was to increase the responsibility of managers for their department's role and function, as well as for the management and deployment of resources to deliver their services.

Whilst both reviews were undertaken to reform the public sector, they were implemented in different contexts. Under the Dunstan government, bureaucrats viewed policy coordination as the most effective vehicle for the creation and implementation of public sector services that

would realise Labor's vision for public sector reform. However, during the era of the Bannon (1982-1992) government, public sector services were viewed as a financial burden to taxpayers.

In line with this view, Guerin advocated a policy that encouraged managers to manage employees and administer them so that the processes relating to policy development were given ample opportunities to devolve. Whilst Guerin's views had merit in some circles, they did not receive acceptance in the public sector (Guerin, 1985). Many heads of public sector departments found the new notion of increased accountability, as advocated in the Guerin Report, too authoritarian because many senior public servants no longer had the requisite degree of autonomy. These public servants were also of the opinion that the Guerin Report would have detrimental effects upon public sector reforms. To elaborate, Guerin (1985, p. 386), commenting on this view reflected:

Disillusionment after several years of cut, controls and a generally negative public climate in which any faults have been trumpeted loudly but little recognition for achievement in the face of difficulty was afforded.

Thus, these reforms were introduced to give managers more authority and responsibility and to transfer more functions to department heads, a process that Yeatman (1987, p. 341) describes as 'let the managers manage'.

### 3.9.3 The Public Sector Management Act 1995

The South Australian government passed the *Public Sector Management Act* in 1995. Aspects of this legislation were related to accountability of staff, contract employment for executives and the removal of the concept of permanent employment in the public sector. In addition, steps were taken to bring uniformity to management of the public sector, particularly in the human resource management and financial sectors through mandating the use of information technology to support management. Like the Corbett Review and the Guerin Review, the *Public Sector Management Act* was legislated in a climate of economic stringency and in a strong climate of managerial practices across Australia. According to Provis and Strickland (2000), the *Public Sector Management Act* was primarily concerned with reforms aimed at greater accountability for efficiency, improved cooperation between agencies and better value for money from government business, through developing a strong managerial focus.

In essence, the *Public Sector Management Act 1995*, focused primarily on:

- amendments to the *Government Management and Employment Act* that would require the contract appointment of executives
- the merging of departments and the removal of ‘unnecessary’ statutory authorities
- a decrease in the size of the public sector through voluntary redundancy, and
- an increase in levels of accountability for agencies.

On June 21, 1996, it was announced at federal level that new government reform intentions were to be introduced in the public service. These new federal government's reform intentions were expressed in the following terms: the government will embark upon a consultative process to develop a reform package for the Australian Public Service; to ensure the public service provides a professional and rewarding environment in which to work and is able to deliver a quality service to government and the public; and to make certain that workplace structures, systems and culture within the public service emphasise innovation and recognise creativity and commitment. These intentions were stated a discussion paper, entitled, ‘Towards a best practice Australian Public Service: discussion paper’.

The discussion paper also listed the shortcomings of the current Australian public sector, describing it as being out-dated and falling behind best practice overseas, interstate, in the private sector and in government business undertakings. Furthermore, the current Australian Public Service was also described as being too rigid with cumbersome regulations, not promoting systemic flexibilities, bound in red tape, operating under terms and conditions no longer appropriate or realistic in a community-wide labour market and marred by a culture that sufficiently did not promote or recognise innovation' (Podger, 2002).

The paper canvassed options for reform and addressed other issues, such as the need to maintain and better articulate important public service traditions; to enhance the quality of Australian Public Service leadership; and to achieve effective devolution by giving heads of individual agencies much of the control over employment matters. Stemming from the discussion paper, the South Australian government saw the need to review its public services. These were initiated in the form of the South Australian Public Service reviews.



### 3.9.4 A review of the South Australian Public Service

As stated in the previous discussions, several key reviews (Corbett and Guerin) had influenced the strategic direction of the South Australian Public Sector. These reviews were driven by new ideas about ‘the introduction of a change in management philosophy for the public sector’ (Committee for the Review of Government Service Provision, 2003, p. 3) and sought to establish ‘strong direction, planning, coordination and project management (including change management) in both central and individual agencies’ (Committee for the Review of Government Service Provision, 2003, p. 9). To establish this approach, a Government Agencies Review Group was established to stimulate major public sector reform. It directed its attention particularly to identifying existing government activities of low priority; improving both public sector productivity and levels of service to the public; and fostering innovation in management-operational activities. The Review Group also recommended and implemented significant staff restructuring in most public sector agencies.

These reviews led to the replacement of the *Public Service Act* and Public Service Board with a *Government Management and Employment Act*, a Board of Government Management and an Office of the Commissioner for Public Employment. The new Act was intended for applying consistent policies of management and employment across the entire public sector and gave greater management responsibility to heads of government organisations. The Act served to generate ongoing discussion about the most effective balance between the responsibilities and accountabilities of central and line agencies.

Stemming from the *Public Sector Management Act of 1995*, the Government Management Framework was developed in October 1996. The key objective of this framework was to support the development and implementation of an integrated program of management and administrative initiatives that were designed to improve the performance of agencies in delivering policies, programs and services (Government Management Reform Unit, 1996). The South Australian government endorsed the use of a set of management improvement tools to achieve this objective. For example, these managerial tools included corporate planning, outcome specification, ownership agreements, purchase agreements, executive performance agreements, performance indicators, competitive tenders, output specification

and costing, output budgeting, and outcome evaluation (Government Management Framework, 1997-1998, pp. 2-3).

A Senior Management Council was established in 1997 to provide a strategic focus on whole of government issues and leadership across the public sector. It was comprised of Chief Executives from the ten portfolio groupings of agencies covering all government business, with the Chief Executive, Department of the Premier and Cabinet, as chair. This council was primarily responsible for the development and implementation of Performance Reporting, Guidelines for a Planned Workforce in the South Australian Public Service, Guidelines for Continuous Improvement of Human Resource Management Processes in the South Australian Public Service and Guidelines for Individual Performance Management in the South Australian Public Service across all parts of the public sector.

Following these change initiatives, in 2003 the Government considered a range of recommendations directed towards achieving improvements in the public sector, namely, efficiency, effectiveness, workforce capacity, and leadership. These recommendations were results of the Review of the Office for the Commissioner for Public Employment.

### 3.9.5 Review of the Office for the Commissioner for Public Employment –2004

The Review of the Office for the Commissioner for Public Employment (2004) was commissioned by the Premier of South Australia in March 2004. This commission was part of a strategy to address concerns that the public service was slow to implement government policy and that its existing human resource management systems could be contributing to this tardiness. The recommendations endorsed the managerial emphasis of past reports, emphasising continuing reforms in human resource management such as:

The public sector needed to become a values-based, independent and adaptive institution that is an employer of first choice. Therefore, the State Government needed to champion the public sector and overtly lift the profile of human resource management within the sector. As a result, the systems of employment between the government and its employees should, as much as possible, be flexible, simplified and standardised. Chief Executives of administrative units should be given the authority to fully manage their

business and staff, with associated accountability and governance systems. The Commissioner for Public Employment needed to be the protector of institutionalised merit principles and responsible for the monitoring of those principles.

The organisation that supported the Commissioner for Public Employment needed to be independent of the Department of the Premier and Cabinet and should focus on strategic whole-of-government human resource management issues.

At this juncture, it must be noted that all of the previously mentioned public sector reforms had a direct influence on the working culture of the SATC. The SATC is a government agency and any change or changes introduced by the state government will impact directly on this organisation.

### 3.9.6 South Australian public sector reform and renewal themes

Relative to the rest of Australia, South Australia's population is growing very slowly. The state's population structure is also changing with the median age increasing and the proportion of those aged 65 and above is rapidly growing. This, according to the Economic Development Board of South Australia (2003), presented 'a real and immediate economic challenge' to the state, not least because of their potential to negatively influence employment opportunities, the viability of businesses and the capacity to maintain and improve infrastructure.

To this end, the Economic Development Board of South Australia (2003, p. 2) stated:

A culture of creativity can help translate South Australia's underlying advantages into superior economic performance through the generation of new ideas and the facilitation of innovation, experimentation and the creation of new products and services.

In presenting a framework for change and future growth, the Economic Development Board identified a number of public sector 'development needs' that have some relevance in the current context. These include the need to do the following:

- Develop a collaborative and whole-of-government approach to policy development and priority setting.
- Ensure government decision-making is timely and responsive, provides certainty and supports innovation.

- Address the widespread culture of risk aversion in the public service.
- Develop a more responsive and professional public service for South Australians.
- Develop the state's human capital base via education and training experiences that particularly target the state's future needs.
- Develop a whole-of-government recruitment strategy to provide for an injection of skilled workers and effective succession planning;
- Implement performance management reviews for all public sector managers and non-managers and increase the use of existing provisions for terminating the employment of non-performing permanent staff;.
- Increase flexibility in employment arrangements (including less emphasis on the public sector concept of tenure).
- Review the government's policy of no forced retrenchment with a view to opening up the option of termination of employment for redundant employees.
- Continually build public sector leadership and management skills with a central focus on the ability to foster innovation, collaboration and diversity.
- Reinvigorate long-term leadership capability via a multi-pronged approach that targets existing and new employees.

The South Australian Office of Public Employment, at that time, had an extensive cluster of human capital and workforce renewal projects operating. Included amongst these were:

- development of an online candidate management system for whole of government (including skills profiling)
- development of competency based position descriptions for whole of government
- best-practice recruitment and selection, research and development of related strategies and tools
- identification of best practice retention and professional development strategies, initially drawing on snapshot research in the public and private sectors (current focus is in the areas of succession planning, career development, flexible work conditions, employment conditions and leadership development), and
- Employer branding for whole-of-government and the meaning of 'Employer of Choice' in public sector contexts.

Additionally, seven working groups were operational within the 'Public Sector Demographics' project area. Issues that were investigated included how to effectively access and retain knowledge post retirement, retirement intentions, phased retirement and flexible work arrangements, youth employment concerns and the development of early warning systems based on exit interview data.

Following the above, the South Australian government has made a number of attempts to reform the public sector, namely:

- The 2003 Menadue report into the health system: *South Australian Intergenerational Review*.
- The 2004 Speakman-Payze report into the public service: Review of the Office for Commissioner for Public Employment.
- Launch of the South Australian Strategic Plan 2004.
- The 2006 Smith report into public sector finance and expenditure: *Review of Public Sector Finance and Expenditure*.
- The 2006 Report on responses from the Institute of Public Administration Australia Young Professionals Event: *Burning the Brown Cardigans, Government as a Career of Choice*.
- The formation of the *Government Reform Commission* in 2008.
- *South Australian Strategic Plan 2007* (updated version of the 2004 Plan) *Public Sector Act 2009*. The Act sets out the government's intent to build a high performing public sector that is committed to delivering services to the public and is responsive to government priorities. (Business SA, 2007, p. 7)

These initiatives reflect that the South Australian government understands the importance of addressing and assessing the effectiveness of the public service. To elaborate, primary role function of the Government Reform Commission was 'to identify opportunities to improve the way that the Government operates, to recognise excellence in public service and promote leadership now and into the future' (Public Service Commission of South Australia, 2007, p. 7). In addition, the Commission was asked to investigate the barriers and barriers that tended to impede upon public sector activities and frustrated citizens and public servants in achieving positive outcomes.

Stemming from the recommendations proposed by the Committee, the South Australian government stated that it would adopt a proactive approach in introducing public sector reform. The government also committed itself to initiating reform in 'public sector capacity and capability building including training and development, attracting and retaining highly skilled and experienced public servants and managing an ageing workforce through the implementation of smart recruitment and succession strategies. An institutional focal point for this is required (Public Service Commission of South Australia, 2007, p. 7).

In line with this view, the Committee recommended that:

The State Government consider the establishment of a Centre for Public Sector Innovation to foster and support wider use of evidence based approaches to policy development and continuous improvement through embedded policy and program evaluation methods. More broadly the Centre would foster the development of research relationships between the public sector and the South Australian higher education sector to assist with the implementation and enhancement of South Australia's Strategic Plan. It could also provide accredited short courses designed to build the capacity and capability of public servants to achieve this objective. (Public Service Commission of South Australia, 2007, p. 7)

As stated previously, in March 2004, the government launched *South Australia's Strategic Plan 2004* (Department of the Premier, 2007) with an updated version released in January 2007. The plan established goals for all South Australians across business, community and government to be achieved by the year 2014. The updated version of the plan released in January 2007 incorporated 98 targets with specific, measurable, achievable, relevant and time-bound (SMART) criteria. Within Government, a lead Minister and lead agency have been assigned for each of the targets, with primary responsibility for developing, coordinating and deploying an implementation plan, setting out key strategies to achieve the target in concert with other contributing agencies and stakeholders. Thus, 'it was imperative that neither the objectives nor any individual targets stand alone; they are all part of a larger inter-related framework. Achieving one target should not come at the expense of another. Smart thinking about how we do things can neutralise effects on other targets, or even turn them into positives' (Department of the Premier, 2007, pp. 7-8).

The *Strategic Plan 2007* was based on the following themes:

- **Growing Prosperity:** South Australians want a dynamic economy that is competitive, resilient and diverse. The state's prosperity should benefit all

citizens. Investors will be drawn to South Australia because of the quality of our workforce, the vitality of our communities, the efficiency of our government, and our reputation for innovation.

- **Improving Wellbeing:** South Australians should enjoy a good quality of life at every stage of life. Our children should be able to grow up in a safe environment, to acquire knowledge and be equipped to make the right choices.
- **Attaining Sustainability:** South Australians value the natural beauty of our state. The challenge of sustainable development requires the focus, commitment and ingenuity of all South Australians.
- **Fostering Creativity and Innovation:** South Australia has a reputation for innovation in science and in the arts. We understand that our prosperity depends on the imagination, courage, talent and energy of our citizens. We want to reaffirm South Australia as a place that thrives on creativity, knowledge and imaginative thinking.
- **Building Communities: Democratic Practices** – founded on principles of free expression, equity and tolerance – are the foundation of a well-functioning society and a healthy economy. Our citizens aspire to be well-informed and engaged in decision-making. We value community cohesion and inclusion, but resist insularity.
- **Expanding Opportunity:** Placing a value on knowledge is fundamental to securing a successful, cohesive and vibrant society. Literacy is crucial from the early years. Skills for living and working become vital in adult life. All South Australians must have the opportunity to reach their potential, and to continue to learn and develop throughout their lives. (Department of the Premier, 2007, p. 7)

Whilst this plan does not make specific reference to change in the South Australian Public Services because of the interrelatedness of the themes, it does have ramifications for public sector change. According to Business SA (2007, p. 5), the success of the plan is dependent on a public sector that is:

- appropriate in size to deliver the functions of a responsible government
- highly skilled and professional
- flexible and responsive, with clear roles and responsibilities
- performance-based and accountable to government
- able to attract the best people to perform the various roles
- accessible to, and hold the confidence of, the wider community.

In a similar vein, the Public Service Association of South Australia (PSASA) (2007, pp. 54-55), in a State Budget Submission 2007-2008 entitled, *Survival Skills: The Public Sector Retention and Attraction Challenge*, stated that many public sector organisations in many parts of the world are currently experiencing or may soon experience challenges in public sector reform. Referring to a recent meeting held by United Nations Committee of Experts on Public Administration—comprising of 24 world experts—the Public Service Association of South Australia maintained that there was no universal blue print for public sector reform. However, for effective public sector reform to occur, governments must ‘identify good practices, highlight lessons learned and reduce risks’. Furthermore, the key areas most likely to present challenges to public sector reform were described as such:

1. To build capacity, the public sector must recruit and retain its fair share of the best available talent;
  2. In response to the impact of globalisation and the emergence of a knowledge based economy, public sector organisations must become ‘learning organisations’, recognised as strong and strategic institutions;
  3. Capacity-building in support of State governance will require the harnessing of the power of information and communication technologies in support of innovation;
  4. Capacity-building in support of State governance requires the alignment of financial and management capacities to ensure the optimal mobilisation and use of resources;
  5. Capacity-building also means to design and implement effective combination of decentralisation and centralisation policies and programs in order to promote people-centred development; and
  6. State capacity-building can be assisted by evidence based international data.
- (PSASA, 2007, pp. 54-55)

With regard to the challenge to recruiting and retaining the best available talent, the PSASA (2007, p. 55) states that this would depend on several factors, namely, ‘the reputation of the public sector institution; an efficient recruitment strategy based on merit and competence; and reasonable compensation and adequate working conditions’. It was also imperative that government had in place policies that promoted ethical standards; combated corruption; recognised diversity; promoted inclusiveness and gender equality; and focused the work of public sector institutions on those functions that only the state could perform or performed



the best (PSASA, 2007, p. 55). Thus, it could be argued that the objectives of the *Strategic Plan 2007* will only be achieved if all public sector employees engage in collaborate practices and promote greater innovation, informed by a common understanding on how to achieve the set targets as set out in the plan.

### 3.10 Current Public Sector Reforms in South Australia

The Public Sector Performance Commission (PSPC) was established by the state government in 2008 with the intent to ensure that all public sector agencies had the tools and capabilities they needed to continually improve their performance. Thus, the role of the Commission was to balance whole of government strategic priorities on performance issues. This meant implementing a consistent yet flexible approach to performance management and capability development among all agencies.

The Commission focussed on three areas:

1. Managing Organisational Performance developing a more uniform and robust approach to accountability through effective measurement, management and improvement of organisational performance across the entire public sector.
2. Building Leadership Capability ensuring that the public sector benefits from a highly professional, collaborative and strategic leadership bolstered by a strengthened professional development program; and
3. Building a Sustainable Workforce ensuring that the public sector has a professional, flexible and sustainable workforce to drive the efficient and effective delivery of services to government and the community (Government of South Australia, 2008, pp. 1-4).

The Commission also concentrated on fostering reform in three core areas, described below.

#### *A. The High Performance Framework for managing organisational performance*

This framework, commonly referred to as the (HPF), was designed to introduce a systemic A. South Australian public service. It was envisaged that the HPF would:

Assist the public sector embed a culture of higher performance and achieve continuous performance improvement by introducing a consistent set of

performance expectations and tools to assess and improve performance across government. It will further support high performance by helping organisations align their strategies, budgets, culture, practice, leadership and accountabilities with their goals and the priorities of government. (Public Sector Performance Commission, 2010a, p. 1)

In accordance with the *Public Sector Act 2009*, the government is intent on building a high-performing public sector that is committed to the excellent delivery of services to the public and is one that responsive to government priorities. Using examples from the United Kingdom, Canada, the United States, New Zealand and Australia, the state government began the development of this framework in March 2009. According to the state government, the HPF is a practical measure to lift public sector performance and it will be a positive and valuable contributor to managing organisational performance. Previous studies by the PSPC indicated inconsistent and fragmented approaches to organisational performance management across the public sector together with sparse performance evaluation and reporting. While a few agencies used frameworks to drive performance improvement there was no whole of government mechanism to measure, improve and monitor performance. The PSPC developed the HPF to fill this gap. The HPF was piloted and refined in partnership with participating agencies, with its role designated to:

1. Promote high levels of agency performance consistently across the South Australian public sector.
2. Ensure South Australian public sector agencies are aligned to key policy directions and strategic objectives of government and achieve 'line of sight' throughout the agency to achieve these objectives.
3. Provide agencies and central government with the ability to flag potential problem areas and to address them before they become serious impediments.
4. Provide a positive partnership approach to performance challenges and opportunities.

(Public Sector Performance Commission, 2010a, p. 1)

The focus on data and evidence on performance improvement is not something new. Under South Australia's Strategic Plan (SASP) and Council of Australian Governments (COAG) agreements performance is measured against a range of ambitious targets. Agencies are also required to regularly report performance against budgets and other measures and in some cases employ various frameworks to measure and improve their performance.

### *B. The South Australian Executive Service (SAES):*

The Commission also recommended a number of specific directions for the development of the South Australian Executive Service. The directions were designed to ensure that the SAES Competency Framework is embedded across the sector. Each executive has access to a variety of training and development options and that professional standards are maintained across the sector. To achieve this, the framework ‘articulates specific behaviours required to achieve peak performance as a public sector executive. Agreeing to attain, maintain, and develop these behaviours is essential for membership with the SAES’ (Public Sector Performance Commission, 2010b, p. 1). In addition, all agencies must have a performance appraisal mechanism for executive staff that meets the following requirements:

- Assessments should be measured against the SAES Competency Framework.
- A formal performance assessment process should be undertaken at least annually (or as often as may be required by a chief executive).
- Assessments should establish and monitor an individual tailored development plan, including professional development strategies. (Public Sector Performance Commission, 2010b, p. 1)

The state government has guaranteed that all SAES executives will receive training and development opportunities designed to develop their core competencies and their professional expertise.

### *C. Reforms to workforce planning, recruitment and retention:*

The Commission also undertook an extensive review of the public sectors workforce recruitment and retention strategies and concluded that a more coordinated and comprehensive approach was required to deliver a highly skilled and sustainable workforce.

Broadly speaking, the four areas of reform to be implemented are:

- Clarifying data requirements and arrange structures to properly manage information.
- Introducing sector-level workforce planning and general intakes for professions of common need.

- Adopting a single e-recruitment system.
- Rethinking advertising strategies. (Public Sector Performance Commission, 2010c, p. 1)

With regard to the issue of performance management for staff, the state government has stated that ‘there should be continuous and transparent adherence to accepted standards within these systems, and their effectiveness will be assessed through the Framework review process’ (Public Sector Performance Commission, 2010c, p. 1). It is expected that as a result of the performance management system, all public sector employees will:

- Understand their personal targets, goals and their minimum performance standards and practices and how their performance goals align with the organisation’s and unit’s strategic direction.
- Have a personal development and improvement plan.
- Have access to clearly articulated behaviours of high performance.
- Undertake a minimum of two formal performance and development conversations per year with their manager with specific emphasis on their performance within their environment and profession (this should occur within the context of a continuous process of feedback and appraisal).
- Have available to them rewards for high or exceptional performance and outcomes and sanctions for unsatisfactory performance have their performance discussions documented and be available to inform future employment opportunities across the public sector.
- Thus, the introduction of new change initiatives to the South Australian Public Services clearly demonstrates the State government’s intention to ‘transform the [South Australian Public Service] into a strategic, forward looking organisation , with an intrinsic culture of evaluation and innovation’ (Sedgwick, 2011, p. 9).

### 3.11 Change in the South Australian Tourism Commission

Change in management philosophy and practice in the South Australian Tourism Commission since 1999 has been influenced by six internal reviews. The resulting reforms have progressively reduced staff numbers, provided group managers with greater control over staffing and finances and given managers clear responsibility for their programs and

performance as well as placing greater emphasis on responsiveness to government, parliament and the community (SATC Working Document, 2004).

The 2004 review, the seventh, undertaken by an internal team identified that the administration was unduly centralised and hierarchical, and that better decisions will be made and better service given to people if authority and responsibility are devolved to officials who are directly responsible for those operations (SATC Working Document, 2004). The review also asserts that the SATC's style of management had become rigid and excessively structured and reflects on three issues that emerged:

- responsiveness to the elected government;
- improved efficiency and effectiveness, including through more results-based management and prescription; and
- community participation in regional tourism.

#### 3.11.1 South Australian tourism directions (2003 - 2008)

The South Australian Tourism Plan (2003-2008) acknowledged the likelihood that the Australian economy will slow over the life of the plan and cited the health of the economy in source markets, seasonality, distance and dramatic or unforeseen events as key demand influencers. In light of research conducted by the South Australian Tourism Commission indicating the market generally lacked knowledge of South Australia as a destination, the South Australian Tourism Plan emphasised the need for a long term commitment to educate the market and change consumer attitudes. In this context, the Tourism Plan also pointed to increasing competition from other Australian states, most particularly in the food/wine and convention market sectors, in which South Australia historically had something of a competitive edge. The South Australian Tourism Plan (2003-2008, p. 15) pointed to three key future drivers of tourism:

- The influence of environmental issues on consumer destination choices;
- The desire for authentic community based tourism; and
- The need to manage tourism growth in a sustainable manner.

Linking the future success of the state's tourism industry to the positioning of South Australia as an 'unconventional', 'specialty' tourism destination, the Tourism Plan also recognised the

critical importance of achieving sustainable tourism. Accordingly, the four key goals for the period 2003-2008 were:

- Enhance and grow the state's authentic destinations;
- Be productive in marketing the state;
- Achieve strategic tourism policy, investment and development; and
- Develop a strong, professional and profitable industry.

Critical industry drivers to achieve the first two goals were identified as:

- Creating 'value-add' to South Australia's natural and cultural assets and authentic experiences;
- Brand and differentiate existing tourism experiences and products to appeal to special interest or niche markets; and
- Target markets domestically and internationally to increase South Australia's share of the national tourism market.

Critical government drivers to achieve the last two goals were to build industry competitiveness and innovation through facilitating the development of, and investment in, innovative products and build industry capacity and capability through developing strategic alliances and networks.

Further to this, a diverse array of industry challenges were outlined in the Tourism Plan including:

- *Policy*: the creation of positive policy environment and management strategies to ensure sustainable tourism;
- *Industry standards*: the ensuring of industry professionalism and reliability;
- *Workforce skills*: ensuring that the right supply of skills were matched to the environment within which people were working;
- *Technology*: being innovative and taking advantage of opportunities that technology provides without losing the personal touch;
- *Industry cohesion*: ensuring a strong, focussed capacity to represent industry views and needs and to mobilise and share resources; and

- *Risk management*: determine the impact of external influences, safety, security and liability.

The need for consistent, focussed and collaborative leadership and action at the strategic planning level were a strong theme in the Tourism Plan. Asserting that the SATC primarily fulfils the role of a marketing agency, the plan maintained that the SATC increase its involvement with policy development at all government levels with regard to this significant role. It also emphasised the need for the tourism policy to be effectively integrated into mainstream government policy, and for the tourism industry to more fully recognise and appreciate its role in helping to achieve other state policy priorities.

The Tourism Plan envisioned that South Australia should be an inspirational leader in innovative and sustainable tourism and also identified commercial viability, sustainable practice and collaboration as the key industry imperatives. Maintaining successful implementation of the plan depended on strong partnerships, accountability and continuous improvement mechanisms. However, it must be stressed that this Tourism Plan was not without its limitations. In order for the plan to be successful, South Australia must maintain and build on commercial viability, improve on sustainable practices and foster stronger collaboration with relevant stakeholders. The direction that the SATC had currently embarked on is represented in Table 3.2.

<p><b>Mission</b></p> <p>The SATC develops and promotes the best South Australia has to offer visitors.</p>
<p><b>Vision</b></p> <p>The SATC is an inspiring organisation, leading the way in the world's most dynamic industry.</p>
<p><b>Goal</b></p> <p>The SATC aims to create tourism jobs, increase export income and profile the state by adopting a strategic approach to building the destination and marketing the state.</p> <p><b>Strategy 1:</b> Build the Destination</p> <p><b>Strategy 2:</b> Market the State</p> <p><b>Strategy 3:</b> Lead the Organisation and the People</p> <p>Develop a workforce plan that aligns people and structure to business priorities:</p> <ul style="list-style-type: none"> <li>• Establish project teams to develop and implement key business objectives.</li> <li>• Manage risks effectively.</li> <li>• Attract and retain the best people.</li> <li>• Set KPIs for all people and teams.</li> <li>• Recognise and reward great performance.</li> <li>• Prepare and implement annual business plans.</li> <li>• Commit to safety excellence and implement the 05-07 OHWS Action Plan.</li> <li>• Ensure technology is at the forefront of our business.</li> </ul>

Figure 3.2: Direction of the South Australian Tourism Commission (2003-2008)

(Source: The South Australian Tourism Plan 2003-2008)

It must be stated that the SATC had set an ambitious corporate plan for the period 2003-2008. This plan had to be achieved within tight budget parameters and in the face of intensified competition from other Australian states. Limited by an extensive government policy, strategy and legislative framework, but impelled to respond effectively to competition and



sustainability issues, the SATC recognised the need to be more *strategic, pro-active* and *collaborative* with all stakeholders. This was in line with human resource policies being implemented in government sector agencies in South Australia at that particular time. Furthermore, the SATC recognised that all employees were an integral part of the South Australian Tourism Plan (2003-2008) and their positive contributions would ensure that change succeeds. However, as cited in previous chapters, resistance to change by employees is a universal phenomenon, one that the executive management team of the SATC acknowledges.

### 3.11.2 South Australian Tourism Plan (2009 – 2014)

The South Australian Tourism Commission acted as facilitator for the preparation of the *South Australian Tourism Plan 2009-2014*. Before the new plan was created, it was necessary to review *South Australian Tourism Plan 2003-2008*. More than 200 industry respondents completed an online survey of the plan. Also, a comprehensive audit revealed the following achievement ratings for strategies implemented in the *2003-2008* plan:

- achieved good outcomes 86 (31 per cent);
- partially achieved 84 (29 per cent);
- ongoing action 69 (25 per cent);
- action with no result 26 (9 per cent); and
- no action 17 (6 per cent). (South Australian Tourism Commission, 2009, p. 47)

Significant achievements in the past five years have included:

- the re-branding of South Australia
- the development of new events
- the opening of Adelaide's new airport and increased international seat capacity
- regional tourism funding
- improved partnerships
- increased luxury product offering which increased delivery of existing accreditation programs and the adoption of new programs addressing issues such as climate change.
- the release of Sustainable Tourism Package and Design Guidelines for Sustainable Tourism Development

- better use of new technology and online innovation within the SATC's promotional efforts. (South Australian Tourism Commission, 2009, p. 47).

In December 2007, delegates on the Minister's Tourism Round Table agreed that the South Australian Tourism Plan 2009-2014 would meet the following criteria:

- an absolute focus on the target of \$6.3 billion in tourism expenditure
- greater industry accountability
- clearer priorities and fewer strategies
- a clear definition of the plan's purpose and where it sits with other plans
- clearer KPIs upfront
- targeted and more efficient consultation
- wider, external perspectives
- an upfront funding commitment for the implementation of key initiatives (South Australian Tourism Commission, 2009, p. 47).

According to Mike Rann, the Premier of South Australia, this was an important plan because it is a 'highly strategic document that sets out an ambitious blueprint to increase the value of tourism in the State to \$6.3 billion within the next six years' (South Australian Tourism Commission, 2009, p. 1). This plan has a very deliberate focus on just four key focus areas and thirteen strategies within these areas. Strict selection criteria were used to elevate those ideas from an extensive list developed throughout the consultation process. Many of the ideas raised throughout the consultation converged into a few common themes.

The following criteria, reflected in the Table 3.2 in the following page, were applied to ensure a measured approach to the selection of ideas and their adoption in the strategic planning process.

**Table 3.3: South Australian Tourism Plan – Strategic Planning Process 2009 – 2014**

<b>Selection Criteria</b>	<b>Description</b>
Strategic	The idea must sit within the context of an existing plan, strategy or evidenced based research.
Brand	The idea must be underpinned by South Australia's brand proposition and values.
Appeal	The idea must relate or appeal to consumers in the state's target audience of 'Experience Seekers'.
Collaborative	The idea's implementation and commitment does not rely solely on the South Australian Tourism Commission.
Funding	Funding and resources must exist or have the potential to be acquired to implement the idea.
Timeframe	The idea must be capable of being achieved within six years.
Sustainability	The idea must be sustained financially, with no adverse environmental, social or political implications.

Source: Adapted from the South Australian Tourism Plan (2009, p. 18)

It must be noted that for the *South Australian Tourism Plan 2009 – 2014* to achieve its desired aim and objectives, the South Australian Tourism Commission must pay close attention to the dominant trends influencing its work environment. To elaborate, the increasing pace of change in public sector organisations will have a profound effect on the nature of work including 'when' and 'how' work is done. Public sector employees have adapted their working styles to the changing environment in which they work (Galor and Moav, 2002) because these employees have to now contend with numerous impacts such as

the pace of change, globalisation, technology, an ageing workforce, labour shortages and changing demographics – all of which has a bearing on their work. According to Galor and Moav (2002, p. 2), ‘it is not the strongest of [employees] that survive, nor the most intelligent, but the one[s] most responsive to change’. These impacts are discussed below.

#### *A. Change of pace*

As discussed previously, Australia has witnessed a radical re-organisation of its public services. The reason for this, according to Lewis and Seltzer (1996, p. 43) is resultant ‘technological change, microeconomic reform and the internationalisation of product markets’. These writers also maintain that these changes have influenced the demand for skills, changed the composition of employment and ‘increased the demands for a “flexible” labour force’ (p. 43). In a similar vein, Tyson (1995) highlighted six trends that would shape the nature of public sector employees’ work in Australia, namely, the size of the average public sector organisation will decrease in size resulting in the employment of fewer public servants; a variety of new public sector organisational models will be implemented. There will also be a decline in the traditional hierarchical organisational structure within public sector agencies; public sector ‘technicians’ will become the worker elite in the public service; the traditional ‘vertical’ divisions of labour within public sector organisations will be replaced by ‘horizontal’ divisions of labour; business models of change will be implemented in order to guarantee a shift towards the delivery of services; and public sector work will be redefined. The focus now will be on constant training and re-skilling.

It appears that the above six trends have all impacted and shaped the current workplace in public sector organisations. Malone (2004, p. 5) maintained that, in addition to the six trends highlighted by Tyson (1995), public sector organisations will also be characterised by terms such as ‘self-organizing, self-managed, empowered, emergent, democratic, participative, people-centred, swarming, and peer-to-peer plus decentralization’. Thus, the increasing pace and nature of change in public sector agencies will continue to affect the way in which public sector employees perform. It must be stressed that there are many other factors driving the pace of change in public sector agencies and organisations globally. For Savall (1981, p. i), the nature of public sector work is ‘determined through a complex and subtle interplay of human, technology, and economic factors’. Thus, Savall (1981) contends that it is the inter-

play of human, technology and economic factors that are driving the pace of change in public sector organisations—each subtle interplay becoming more complex, more volatile, and more efficient.

The culture and environment of the public sector workplace also plays an important role with regard to the effectiveness of the change of pace. It is for this reason that change initiators must be aware of what factors are impacting on the culture and the workplace. Burgess and Connell (2003) cite the factors impacting on the Australian workforce as an increase in the number of females in government sector agencies; the high rates of unemployment among public servants; a more highly educated public sector workforce; an increase in the number of contractual public sector employees; stronger growth in service delivery sector; a higher proportion of employment in Australia's capital cities; and greater number of public service jobs characterised by either too few hours or very long hours.

Another important issue raised by Ridderstråle and Nordstrom (2000) is the notion of a 'job for life' among public sector employees and the need for a flexible workforce. These writers maintain that in Australia, currently, there is a rise in job turnover and employee mobility and an increase in the number of people willing to change careers multiple times. Furthermore, in government sector organisations, the provisions for long service leave is declining, signalling the trend that employees should get a 'life' instead of a career and that work is a series of projects and flexible contracts (Ridderstråle and Nordstrom, 2000). However, the problem that arises with this trend is the organisation's inability to retain tacit knowledge because employees undertake a series of different projects. According to Cetron and Davies (2005a, p. 29), 'knowledge turnover in the professions is a growing challenge that will require continuous retraining and lifelong learning'. In this case, the organisation is faced with the challenge of retaining tacit knowledge and from an employee's point of view; there is the need for continual training so that they can engage with the concept of life-long learning. This can be a stressful experience as Tyson (1995, p. 2) states, 'stresses imposed by endless waves of change within organisations have left their mark on all management functions'.

Another factor which can be added to the 'endless waves of change' within public sector organisations is the increase in regulations and compliance in which senior management have

to cope with on a daily basis. This issue is elaborated upon by Creton and Davies (2005b, p. 48) who stated that:

Government regulation will continue to take up a growing proportion of the manager's time and effort ... regulations are both necessary and unavoidable, and often beneficial. Yet it is difficult not to see them as a kind of friction that slows both current business and future economic growth.

### *B. Globalisation*

As discussed previously, 'globalisation' can be defined in many ways but from a public sector employees' point of view, it can be seen as 'the international integration of goods, technology, labor, and capital' (Slaughter and Swagel 2000, p. 157). Cetron and Davies (2005b, p. 42) maintain that with globalisation of the Australian economy, more independent consultants are needed to initiate change and that public sector organisations have no option but to 'turn to consultants and contractors who specialize more and more narrowly as markets globalize and technologies differentiate'. It must be noted that the pace and speed of change will continue to increase because of globalisation which is impacting on many areas of public sector life.

### *C. Technological advances in public sector organisations*

Globalisation has also led to a greater degree of technological change in public sector organisations. According to Cetron and Davies (2005b, p. 37), the impact of technological advances will '... continue to play a major role in shaping the way we work and manage our [organisations]. In a study conducted by Green, Felstead and Gallie (2003, p. 1567), these researchers found that 'the input of IT [Information Technology] on the labour market appears to have been even more important than one might have expected'. Lending support to this finding, Patel (2005, p. 26) states that 'at the dawn of the 21st century, it is difficult to fathom that such ordinary workplace tools as laptops and cell phones were exotic luxury items ... and email and the Internet were not commercially available'. In addition, Popcorn and Hanft (2001, p. 323), inform that the impact of technology will become a discipline in its own right – Technology Impact Studies. This discipline would study the impact of technology on our lives, culture, psychological patterns and behaviours, as well as the impact on the family, the economy, productivity and innovation.

It must also be stated that technological advances has its drawbacks too. Some employees find it difficult to accept new technology and innovation (Ryder, 1965). This acceptance is compounded by the increasing pace of change and the need for these employees to re-train and re-skill on a regular basis. For older employees, the fear of job losses and redundancies now becomes a paramount concern. Thus, it is not surprising that older employees may resist innovation because they might become redundant before they are ready to retire. However, in this instance, resistance may be successful for a while because the oldest employees are most likely to occupy positions of authority (Ryder, 1965, p. 857).

Another drawback, according to Luff, Hindmarsh and Heath (2000) is that technological advances have transformed the structure of organisations thereby increasing mobility of employees. These writers argued that employees will be more mobile when all the technology support they need are provided wherever they are located. This being so, it may even be no longer necessary for employees to travel to a particular site when they can work from home. This, according to Luff, Hindmarsh and Heath (2000, p. 1), leads to the fragmentation of the organisation.

#### *D. The changing workplace culture*

As discussed in the previous section, the pace of change in the workplace, globalisation, technology and advances in communication have all had a direct impact on how employees work, and their values and attitudes towards their work. Change programs and new management practices have brought about change in the organisational culture and the expectations of employers. Some of these changes, worthy of mention, include the differing modes of communication within organisations; changing work values; the desire by many employees to obtain a work-life balance; working for an organisation that attracts, engages, and retains employees; and changing views on organisational loyalty and career progression. In line with these trends, Hankin (2005, p. 61) noted that employees now want to work in an organisation that treats them with respect, fairly, equality, balance, flexibility, provides appropriate feedback, and provides opportunities for job enhancement. For change initiatives to be implanted successfully, organisations must identify and respect this 'workplace diversity'. This could be achieved by appreciating differences among employees whilst at the same time adapting work practices to create an inclusive environment in which employees'

diverse skills, individual wants and needs are valued and appreciated (Department of Employment and Workplace Relations, 2005).

In addition to the above trends, change initiators in government sector organisations should also pay attention to the following issues:

- Downsizing; retrenching and merging in order to recreate themselves and their affect upon employees in the organisation (Miller, 2000).
- Low morale and high turnover of employees (Cetron and Davies, 2005b).
- Generational shifts in attitudes and values among employees (King, 1997).
- Person-job-fit and person-organisation-fit (Carless, 2005).
- Successfully attracting, retaining and engaging employees in the organisation (Towers Perrin, 2003).
- Understanding what makes employees 'tick' and setting up conditions of employment that will assist employee performance (Kable, 1988).
- Implementing strategies that promote personal self-satisfaction and a sense of inspiration among employees (Towers Perrin, 2003).
- Continuous improvement in the management of Australian workplaces with regard to employee engagement (Blanchflower and Oswald, 2005).
- Employees need to be continually trained to handle the situation of not having a job-for-life (Moodie, 2004).
- Employee development that focuses and prepares an employee for jobs in the future (Kennedy, 2004).
- Training and development for mature workers may need to be different from the training provided for younger less experienced workers with differing expectations (Ryder, 1965).
- The drawing up of employer-employee contracts which signify that employees are expected to continuously develop and apply their skills to what the organisation needs (Frank, Finnegan and Taylor, 2004).
- Reinforcing the notion that employee loyalty is a two-way process whereby both managers and employees mutually benefit from the relationship (Flynn, 1976).
- The implementation of successful work-life balance policies that have positive outcomes for employees (Rance, 2005).



- Human resource policies must be operationalised and implemented throughout the organisation in a manner that achieves the intended effect and impact on all employees who work for the organisation (Kinnie, Hutchinson, Purcell, Rayton and Swart, 2005).

From the above discussions, it can be stated that strong leadership is required for effective organisational change. In other words, management styles need to be examined and realigned with the needs and demands of today's workplace because as change continues and organisations react to the changing environment, employees also evolve and change with their surrounds.

It must also be noted that the South Australian Tourism Plan 2009–2014 is directly linked to South Australia's Strategic Plan–2007. Of the 98 measurable targets to be achieved over the next ten years, one is a tourism target and a number to which tourism will contribute. The tourism industry target is to increase visitor expenditure from \$3.7 billion in 2002 to \$6.3 billion in 2014. Responsibility for achieving this target is a joint venture between the tourism industry and the government (South Australian Tourism Commission, 2008, p. 4).

As stated previously, in the discussion under 'Current public sector reforms in South Australia', the South Australian Public Services is undergoing transformation in three key areas in order to achieve the set objectives mentioned in South Australia's Strategic Plan – 2007. In line with this strategic vision for South Australia, the South Australian Tourism Plan 2009–2014 was designed and implemented. Arguably, this plan would be far more achievable if employees in the organisation displayed a readiness to accept the new changes outlined in the plan.

Employees' willingness or readiness to embrace change, according to Miller, Madsen and John (2006, p. 3), is influenced by three important workplace factors, namely employee relationships with management; job knowledge and skills; and job demands. In addition, employees' relationship with their managers is a strong predictor of readiness for change. For McConnell (2002), common change initiatives in an organisation like the SATC would include changes in organisational structure, management, products or services, technology,

and policies and procedures. Bennett (2001) stated that currently more organisations are experiencing change which occurs more rapidly, in greater volume, and of a more complex nature than ever before. It is for this reason that Norton and Fox (1997) argued that being able to adapt to change has such a critical bearing on organisational success. Managers must be in a position to identify which work factors, if any, best prepare employees for change. If certain work factors can be identified as having a positive effect on employees' readiness for change, managers should then focus on developing these factors in an effort to better prepare employees for inevitable changes (Norton and Fox, 1997). However, Ilgen and Pulakos (1999) asserted that this is easier said than done. Implementing new change initiatives in the organisation is difficult because employees are individuals with unique life experiences; different motivational levels; varying degrees of knowledge; different attitudes, values and behavioral patterns; and requires different support systems.

Miller, Madison and John (2006, pp. 3-16), in their study of employees' readiness for change, highlighted the following important issues in relation to the introduction of change in any organisation:

*A. Management-leadership relationships*

Employees' relationship with their managers is directly linked to their willingness to embrace new change initiatives (Miller, Madison John, 2006). Employees who spent appropriate time reporting to their managers invariably developed a working relationship with that person (Decker, Wheeler, Johnson and Parsons, 2002). Most of these relationships are characterised by honesty, mutual trust and respect. In these types of relationships, employees were more inclined to accept change initiatives (Hanpachern, Morgan and Griego, 1998). However, not all researchers agree with the latter viewpoint. Eby, Adams, Russell and Gaby (2000), maintained that trust in management does not necessarily mean that employees will embrace the change initiatives. Livingstone, White, Nelson and Tabak (2002) concluded that employee confidence in management was not related to their willingness to accept change.

*B. Job knowledge and skills*

Employees' job knowledge and skills were significantly related to their willingness to accept the change (Miller, Madison and John, 2006). In citing a longitudinal study conducted by

both Cunningham, Woodward, Shannon, Macintosh, Lendrum, Rosenbloom and Brown (2002) and Miller, Madison and John (2006) asserted that employees who are empowered with efficient organisational skills, attitudes and opportunities tend to embrace change more readily. In other words, these employees were least likely to resist change because they possessed the ability and confidence to accept change.

### *C. Job demands*

The job demands imposed on some employees also determine the extent to which they are going to accept the change or not. In citing Karasek (1979), Miller, Madison and John (2006) argued that employees in demanding jobs who display an active approach to problem solving are more prone to accept change initiatives. These employees are afforded the latitude to engage in higher decision-making and greater control over challenging tasks. As a result, according to Karasek (1979), these employees are more likely to embrace change rather than resist it. Cunningham et al. (2002) supported this view, stating that employees in 'active' jobs requiring high decision-making or high job demands more readily accept change initiatives than employees engaged in 'passive' or less demanding jobs.

Stemming from the above, Miller, Madison and John (2006, pp. 3-16) concluded that:

- Managers' relationship with employees is critical for the acceptance of change in the organisation. It is for this reason that it is important for managers to develop a good rapport with all employees. Employees must feel that they are valued and appreciated and should be recognized and rewarded for their efforts.
- Good managers should communicate openly, clearly, and consistently with all employees. Good communication helps to build faith and trust which makes change easier to accept.
- A good manager should encourage feedback and then listen to that feedback.
- Managers should be open to employees' suggestions.
- Managers should be honest in their dealings with those under their supervision.
- With regard to work knowledge and skills, good managers should 'extend' their employees. This could be achieved by encouraging employees to engage in problem-solving situations and trying out new ideas and innovations.
- Managers should encourage employees to further their training and qualifications.

- Management should provide jobs that empower employees with skills, attitudes, and opportunities to manage change. Also, employees should be evaluated regularly; and if they are lacking in skill areas, opportunities should be provided for them to improve in the weak areas.
- Managers should try to identify things that could be done to make newer employees be more receptive to change. New employees should be challenged, they should be involved early, they should be given responsibility, and they should be held accountable for their role in the organisation.

### 3.12 Summary

This chapter explored the public sector context for this study, outlining and discussing some of the reforms that have taken place in the Australian public sector, including models of change. Public sector reforms in the South Australian context were discussed, along with some of the criticisms of the changes in the Australian and South Australian public sector. Finally, reform processes within the South Australian Tourism Commission were considered.

With specific regard to South Australia, the government has emphasised efficiency, democracy, equity in reform and the use of other sectors to deliver services. Whereas the literature reviewed in this research dealt with change in a transformational form, there is little information on how change was introduced to specific public sector organisations (The Review of the Office for the Commissioner for Public Employment, 2004, p. 4).

As a point of departure, this researcher maintains that public sector reform is not a straightforward matter, and will face criticism from many quarters. Reform has pervaded the public sector in Australia and other countries in various forms since the 1980s. The OECD (1996), published two papers, *A Strong Foundation* and *Ethics in the Public Service: Current Issues and Practice* that reported on contemporary public sector reform in nine different countries (Australia, Finland, Mexico, Netherlands, New Zealand, Norway, Portugal, the United Kingdom and the United States). In these studies, it is evident that the arena of public sector reform has undergone radical transformation and has resulted in changes in the manner in which public sector employees fulfill their roles. To elaborate:

- *Responsiveness*: Public sector reform must respond to the needs of governments as well as the needs of the public. Public needs are met through the delivery of efficient and effective client centred services and service quality. On the other hand, governments desire to have the public service do its bidding by ‘implement[ing] its decisions with intelligence, enthusiasm, energy, innovation and common sense’ (OECD, 1996, p. 54).
- *Accountability*: The issue of accountability has taken on a new dimension for public sector employees. They are now accountable to others in the organisation as well as to their immediate ‘superiors’. Furthermore, governments now endorse the view that the public service be held directly accountable to the public, parliament, and public ‘regulatory’ bodies established by governments for this purpose (OECD, 1996, p. 56).
- *Results focussed*: Public sector employees now find themselves judged on the outputs and outcomes of their work rather than inputs. Outputs and outcomes, in turn, are related to the issue of both effectiveness and efficiency. Effectiveness is determined by assessing the degree to which government objectives are achieved. Efficiency measures the relationship between inputs and outputs. The public service is said to be efficient when inputs are minimized for a given output (*A Strong Foundation*, 1996, p. 54).
- *Innovation*: Innovation refers to the desired ability of public sector employees to ‘achieve traditional ends’ by new means (*A Strong Foundation*, 1996 p. 55). For example, public sector employees might develop a more efficient procedure by employing technology in a new way. Innovation may be related to a public focused service delivery that caters for users of the service.
- *Risk taking*: According to the Public Policy Forum (1998, p. 1), risk-taking is defined as ‘[a] decision to undertake an initiative that carries to a degree, known or unknown, the possibility of unfavourable outcomes. This decision is based on the calculation that unfavourable outcomes can be minimized or that favourable outcomes will outweigh unfavourable outcomes’. Risk taking behaviour on the part of employees is highly valued by governments, particularly when there is a need to explore relationships with the private sector enterprises.
- *Professionalism*: In the traditional sense, ‘professionalism’ referred to people engaged in law, medicine and theology. Professions are regarded as different from occupations

the work of professionals involves making judgements in situations even if all the facts are not readily available (*A Strong Foundation*, 1996). It is expected of professionals to make the right decisions. *A Strong Foundation* (1996, pp. 58-59) lists the following characteristics associated with professionals: ‘... excellence, professional competence, continuous improvement, merit, effectiveness, economy, frankness, objectivity and impartiality in advice, speaking truth the power, balancing complexity, and fidelity to the public trust’. In addition, most professional also display characteristics associated with ‘quality; innovation; initiative; creativity; resourcefulness; service to client/citizens; horizontality; partnership; networking; and teamwork’. It is towards this end that modern governments are striving towards - a public service that is ‘professional in nature’ (Kernaghan, 2007).

- *Integrity*: Public sector employees are now expected to display integrity at all times. In other words, they are expected to exercise moral soundness, honesty, and not engage in corrupt activities. According to the OECD (1996, p. 47), some governments emphasise ‘promoting ethical conduct [among its public sector employees] ... consistent with a devolved management system, using integrity based approach [es] rather than a more traditional compliance or rule-based approach’.
- *Transparency*: The issue of ‘transparency’ among public sector employees is closely related to the issue of ‘accountability’. It requires the public to be informed about the activities of government. Transparency is valued because it engenders trust in government. Transparency refers to providing access to information and facilitating the publics’ (and others) understanding of the decision-making process (OECD, 1996).

Other desirable qualities deemed of contemporary public sector employees include: selflessness, objectivity, leadership, competence, flexibility, legality, probity, high standards of conduct, reliability, sound judgement, high ethical standards, fairness, equity, and an understanding of the collective interest (OECD, 1996). Many governments have responded with new or improved reforms for public servants that contain large numbers of ‘values’ to guide their behaviour. However, this has resulted in making the job of the public servant even more demanding than ever (Dwivedi, 1999).

To conclude, in the past public sector employees worked under a different set of conditions, that is, until the advent of NPM. Arguably, NPM did cause a radical shift in the manner in which public sector employees now have to perform their duties. The Australian Public Service was clearly defined with its own set of rules, hierarchy and tradition. Employees who chose to work in the public sector often entered their career with the public interest in mind. However, now, their work environment is based on managerialist principles – in order to guide public servant employees' every thought and action. With this view in mind, the discussions in this chapter were based on taking the reforms as a given, rather than strongly arguing the whys and wherefores of the reform process.

The next chapter will deal with the research design and methodology used in this study.





## **CHAPTER FOUR: RESEARCH DESIGN AND METHODOLOGY**

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### **4.1 Introduction**

Appreciation of the range of research traditions, methods and procedures is necessary to produce quality research. To achieve this, the ability to construe research as an argument rather than a search for absolute truth is required. Thus, our understanding of any research should include the theoretical, epistemological, political, social and value underpinnings, which can be said to characterise the chosen paradigm. We must also understand the relationship between these philosophical underpinnings and other aspects of the research design.

Furthermore, research comprises processes that are not only linear or cyclic. They can be iterative, interactive processes of moving from problem statement through rationale to objectives to operationalising constructs to design; to data gathering and analysis; to reporting findings; and to implementation in a flexible manner. However, in some instances, researchers argue more for the use of fixed rather than flexible research designs. Thus, irrespective of the chosen research design, researchers need good theoretical understandings of the aims of their research, and knowledge of the appropriate fit between data type, research design, method tools and data analysis techniques.

Arising from the above-mentioned considerations, this chapter will provide an overall understanding of the methodology used in this case study. To elaborate, the discussions describe the initial deliberations in choosing an appropriate method of inquiry and the use of case study as a research strategy to address the research questions. Thereafter, the researcher discusses the principles of qualitative research where the use of ethnographic interviews through ‘purposeful conversations’ as a means of data collection is discussed. Following these, the researcher justifies the use of qualitative research methodology in this particular case study. A discussion on the ethical considerations on the part of the researcher is then presented. Following this, the issue of ‘ascertaining the truth’ is discussed.

## 4.2 Choosing an Appropriate Methodology

Crotty (1998, pp. 2-3) suggests an approach to the research process that involves the posing and answering of four associated questions. These are:

1. *What methods do we propose to use?* According to Sarantakos (2005, p. 51), methods refer to ‘a tool or an instrument employed by researchers to collect data’.
2. *What methodology governs our choice and use of methods?* Methodology refers to ‘a model entailing the theoretical principles and frameworks that provide the guidelines about how research is to be done’ (Sarantakos, 2005, p. 51).
3. *What theoretical perspective lies behind the methodology in question?* Theoretical perspective refers to the theory behind a particular model of research whereby individual models make particular assumptions about society. Each model also attempts to integrate various kinds of information in order to determine meaning in what the researcher sees or experiences. As individual theoretical perspectives will focus on different aspects of society, no one perspective can be deemed ideal (Sarantakos, 2005).
4. *What epistemology informs this theoretical perspective?* Epistemology is the theory of knowledge and is concerned with the nature, source and scope of knowledge. It is the means by which researchers acquire knowledge. According to Newall (2005, p. 1), epistemology is concerned with addressing the following important questions: ‘Where do we get knowledge from? How do we know if it is reliable? When are we justified in saying we know something? What are the limits of knowledge?’

Thus, the underlying principles of research vary according to the discipline in which research is undertaken (Hockey, 1996). In this case study, it was necessary to be conscious of the fact that selection of an appropriate paradigm depended not only on personal taste and philosophy, but also on the nature of the research questions, which are guided by the proposed aims, and objectives of the research itself (Pollit and Hungler, 1991).

Holloway and Wheeler (1996) claimed that there is no such thing as the best method, rather an appropriate relationship is needed between the issue in question and the method that will help to shed light on it. Accordingly, this case study is guided by the use of qualitative

approaches to research. Qualitative methodology was deemed appropriate in this study because of its ability to enhance the validity of research (Campbell and Fiske, 1959). There are, nevertheless, important practicalities that need addressing such as funding, length of time and previous experience, skills and training of the researcher (Holloway and Wheeler, 1996). They also stressed that whilst choices may be made on practical grounds, it is also important that the philosophical ideas on which they are based are understood. The research methodology used must also be appropriate to the specific requirements and expectations of any particular study (Plowman, 1991; Kelly 1991; Schmitt and Klimoski, 1991). In essence, there are no set procedures to follow that are applicable across all research endeavours.

As there are a large number of research methodologies available to the modern researcher, serious consideration should be given to the purposes of the research, the epistemological and methodological assumptions held by the researcher; and the level of knowledge development the researcher has in a particular area of investigation (Depoy and Gitlin, 1994). Researcher responses to the above three considerations assist to narrow down the methodological choices available because research consists of a dialectical process of engaging with participants, exploring conceptual arguments in the literature, producing arguments along the way, leading to more questions, contradictions and struggles (Lincoln and Guba, 1985). Thus, the nature of research is fundamentally and primarily dependent upon the nature of the methodology used for a particular inquiry. This in turn leads to a consideration of the issue of appropriate 'epistemological considerations' pertinent to any research study.

#### 4.2.1 Epistemological considerations

According to Bryman (2001, p. 11), 'an epistemological issue concerns the question of what is (or should be) regarded as acceptable knowledge in a discipline'. Positivism and interpretivism are two of many contrasting epistemologies that advocate different methods in the study of social reality. In this case study, the interpretivist paradigm is used and is discussed later in this chapter. For Bryman (2001, pp. 12-13), interpretivism 'is predicated upon the view that a strategy is required that respects the differences between people and the objects of the natural sciences and therefore requires the social scientist to grasp the subjective meaning of social action'. The interpretive approach considers:

The systematic analysis of socially meaningful action through the direct detailed observation of people in natural settings in order to arrive at understandings and

interpretations of how people create and maintain their social worlds. (Neuman, 1993, p. 68)

Futhermore, one's epistemological assumptions deal with the nature of the relationship between the researcher and what is knowable. Guba (1990) offers three responses to the epistemological question: dualist/objectivist, modified objectivist and subjectivist.

The dualist/objectivist believes that:

It is both possible and essential for the inquirer to adopt a distant, non-interactive posture. Values and other biasing and confounding factors are thereby automatically excluded from influencing the outcomes. (Guba, 1990, p. 139)

To explain, the dualist/objectivist believes that it is possible to 'detach' oneself from reality – to stand back and view it from the 'outside'. When investigating reality, the intention is to be as objective as possible by not allowing one's own values to influence the observations or findings.

The modified objectivist understands that:

Objectivity remains a regulatory ideal, but it can only be approximated with special emphasis placed on external guardians such as the critical tradition and the critical community. (Guba, 1990, p. 140)

Once again, objectivity remains central to this view. Nothing has changed from the dualist/objectivist view except a humbler posture in relation to reality. Due to human limitations, one cannot be perfectly objective. The inquirer cannot stand completely 'outside' reality, cannot completely detach him or herself from reality and cannot completely remove biases, values, beliefs and assumptions. However, the aim of objectivity is still pursued, despite its elusiveness and everything is done to be as objective as possible.

As this case study focuses on public sector employees' understanding of change and change management, the methodology is aligned on the basis of realities being constructed by these employees. These are not objective realities but subjective. It is for this reason that the

researcher adopted an interpretivist stance in order to ascertain employees' understanding of change and change management. To explain, this case study is not concerned with establishing nomological knowledge about reality nor is it primarily concerned with the emancipation of public sector employees. The use of interviews with participants, discussed later in this chapter, indicates a need to understand employees own interpretations of change (management, processes and practices) in a single government sector agency (SATC). These assumptions mentioned above lead to the methodological issue of the way a researcher should proceed to find out knowledge. In this instance, the inquiry is primarily located within the qualitative interpretive approach. Moreover, an interest in the exploration of the participants' values, beliefs and practices embedded in situations, which are highly complex and dynamic, made this form of research appropriate because qualitative research relies heavily on a dialogic relationship between the researcher and participants and generally focuses on an analysis of language that results from conversation or documentation (Sarantakos, 2005). Thus, this study has sought to interpret employees' subjective meaning of change and change management processes and practices by using ethnography as a research method.

#### 4.2.2 The research design: case study method

According to Patton (1987), case studies are particularly valuable when the research data aims to capture individual differences or unique variations from one research setting to another.

Case studies become particularly useful where one needs to understand some particular problem or situation in great depth, and where one can identify cases rich in information – rich in the sense that a great deal can be learned from a few exemplars of the phenomenon in question (Patton (1987, p. 19).

Patton (1987, p. 21) also noted that the 'desire to document individualised client outcomes is one major reason why case studies may be useful'. Case studies have also been employed increasingly in large organisational settings, where the collecting of data for large-scale quantitative surveys is expensive because of the number of respondents and researchers involved, time consuming and difficult (Patton, 1987). In this study, using the case study method was found to be appropriate because it provided a way of studying human events and

actions in their natural organisational surroundings. This concurs with Benbasat, Goldstein and Mead's (1987, p. 370) view that a case study should:

Examine a phenomenon in its natural setting, employing multiple methods of data collection to gather information from one or a few entities (people, groups and organisations) [when] the boundaries of the phenomenon are not clearly evident at the onset of the research and no experimental controls or manipulation is used.

Thus, this study uses case study to ascertain employees' own understandings of change (management, processes and practices) within the SATC. The emphasis of this case study is the employees' personal work environment (a government sector agency) and its importance in understanding their attitudes, feelings and perceptions of organisational change (Clegg, Kemp and Legge, 1986).

#### 4.2.3 Justification for the use of case study methodology in this study

The proposition that change and change management (practices and processes) have impacted on the lives of many employees and will continue to do so has been discussed. With this in mind, the use of case study methodology was deemed most suitable by the researcher because its purpose was to ascertain the degree of understanding that public sector employees attached to change and change management within their agency. Consideration was also given to Kanter's (1997) view on the use of case study methodology in a research study of this nature.

According to Kanter (1977, p. 291), the case study 'is a search for explanation and theory rather than a report of an empirical research' and is an in-depth investigation of an issue over a given period of time (Clegg, Kemp and Legge, 1986). Likewise, Feagum, Orum and Sjoberg (1991) defined a case study as an in-depth, multifaceted investigation of a single social phenomenon that may use both quantitative and qualitative research methods.

Yin (1993) maintained that a case study, though an empirical enquiry, is not dependent upon the techniques used to collect the data, but rather the application of understanding to complex events in particular circumstances. Thus, Yin (1989) argued that case studies can include, and even be limited to, quantitative evidence and are not restricted to qualitative evidence only. Furthermore, he stated that case studies are the preferred strategy when 'how' or 'why'

questions are being posed or when the researcher has little control over events (Yin, 1989, p. 13). Schramm (1989, pp. 22-23) asserted that the 'essence of a case study illuminates a decision or set of decisions: why they were taken, how they were implemented, and with what result', and for this reason case study research can include both single and multiple case studies.

Conversely, Smith (1988) distinguished case studies from experimental approaches by the absence of controls. However, like Yin (1989), Smith (1988) also stressed real-life situations and the blurring of the division between phenomenon and context, allowing that case studies may be explanatory, exploratory, or descriptive. Merriam (1998) highlights three types of case studies, namely, descriptive, interpretive and evaluative case studies. Merriam's (1998) descriptive case study presents a comprehensive account of any phenomenon under study, though they are also theoretical. Interpretive case studies are used to build upon pre-existing theories or to portray, lend support, or question grounded theory prior to the collection of research data. An evaluative case study 'involves "thick" description, is grounded, is holistic and life-like, simplifies data but most importantly, weighs up the information to enable a judgement to be made' (Merriam, 1998, p. 25). In this case study, the focus was on a single case that is largely intended to be 'interpretive' in nature (Merriam, 1998) because it is used to develop conceptual categories.

Stemming from the purpose of this case study, a deep understanding of the changing organisational environment, changing social relationships and group processes is required and therefore studying a particular situation in detail is the best approach (Smith, 1988; Yin, 1989). In this research study, the case provided an opportunity to observe and analyse the phenomenon of change inaccessible to previous investigations within the SATC, and could be shown to be representative of the larger population of government sector employees.

However, single case methodology does have some weaknesses. These are: lack of rigour in information obtained, analysis and findings (Yin 1989), possibility of bias due to its design (Hessler, 1992), and the possibility of lengthy narratives with no predictable or describable structure (Baruch and Callaway, 1985). To overcome some of these weaknesses, this case study was carefully structured and dialogue with the participants was encouraged to uncover

their understandings of change and change management (Baruch and Callaway, 1985). To overcome the building of lengthy narratives with no predictable or describable structure, the advice of Yin (1989) was adopted and the conversations restricted to informal ‘discussions’ and the major interview questions asked of employees were guided by the leading questions. The use of vignettes to represent employees’ understanding of change also eased this issue considerably because vignettes are ‘short descriptions of a person or social situation that contain precise references to what are thought to be the most important factors in the decision-making or judgment-making processes of respondents’ (Alexander and Becker, 1978).

Thus, a case study approach was used in this research to provide a ‘rich thick description’ (Geertz, 1973) of employees’ understanding of change (management, processes and practices). This enabled the identification and examination of the phenomenon and meanings of ‘change’ from an individual frame of reference, in order to offer new interpretations to employees and for their interpretations to be offered in return (Clegg, Kemp and Legge, 1986).

In the next subsections, are discussions about the use of qualitative methodology in this case study.

### 4.3 Qualitative Methodology

In this subsection, the researcher discusses the qualitative methodology in research. An introduction to qualitative research, some characteristics of qualitative research appropriate to this case study, some strengths and weaknesses of qualitative research and the justification for the use of qualitative research in this case study is presented. Thereafter, the interpretive approach to inquiry is discussed. Following this, the use of interviews as a means of data collection and the researcher’s role in this process are presented. This sub section concludes with a discussion on ethical considerations and ‘ascertaining the truth’ in ethnography.

#### 4.3.1 What is qualitative research?

The purpose of inquiry is the foremost consideration in qualitative research, although specific research procedures and techniques tend to suit qualitative inquiries and have therefore



become characteristic. Garman (1994, pp. 8-9) asserted that ‘... qualitative statements are supposed to illuminate, to explain, to interpret, and not to verify’ and that ‘... the essential mode of inquiry of qualitative research is for portraying deeper understanding and not for verification of the phenomenon under study’.

Creswell (1994) suggested that some researchers are comfortable with the use of qualitative methods because they provide suitable answers to pertinent questions, have a particular way of defining and investigating research foci, and are probably distinguished more by why data are collected than how it is collected (Guba, 1990).

Miles and Huberman (1994) maintained that qualitative research is naturalistic research and provide a description of the features recurring in naturalistic research. These features may be summarised as:

- The real life situation of the study, that is, the field.
- The holistic nature of the research.
- The attempt to gain knowledge from the actors for the isolation of themes to be verified by informants.

Qualitative research allows for the examination of human activity in its natural setting, producing descriptive data based on written or spoken words (Taylor and Bogdan, 1984). These researchers also state that human quality of life has been researched from both the qualitative and quantitative perspectives. Further supporting the use of qualitative methodology, Parker (1994, p. 3) discussed qualitative research as ‘an attempt to capture the sense that lies within, and that structures what we say about what we do’.

Methodologically, because qualitative research is based on the individuals’ frame of reference, it is ideally suited to provide rich insights, often offering radical new insights to phenomena as complex as leadership (Conger, 1998, p. 107). Some qualitative research strategies are committed to interpretivist accounts (Bryman, 1984), a commitment to seeing the world from the point of view of the actor. It could then be argued that the basic objective of a qualitative approach is the interpretation of action, events and perspectives through the

eyes of those being investigated. By taking the actor's viewpoint as the central focus in the form of narratives, such an approach brings to the surface issues and topics that are important yet which are omitted by relying on the researcher as the source of what is relevant (Bryman, 1984). A discussion of the interpretivist approach in qualitative methodology will be discussed later in this subsection.

#### 4.3.2 Some criticisms of qualitative research methods

One of the most important qualities in qualitative research is that the findings it produces reflect the attributes of the population, meaning that the conclusions drawn through the study are generally applicable to the whole population. In order to achieve this, the sample is chosen in such a way that it is supposed to reflect, to a high degree, the properties of the population that it represents. Qualitative researchers use specific techniques to achieve this representation, and deploy statistical techniques to assist in this process. The logic goes, the more representative, the higher the general applicability of the findings, and therefore the higher the quality of the study (Sarantakos, 1993).

However, according to Clarke (1992), the issues of rigour, reliability and validity in a single case study are often directed towards qualitative research but some quantitative researchers argue that qualitative research does not adequately put forward evidence that rigour has been achieved and that they fail to address the reliability of both the sample and the data collection tools, and thus cannot have any way of knowing the validity of their idea. Some researchers (Aamodt, 1983; Lincoln and Guba, 1985; Leininger, 1994) have responded that the rules applied in the evaluation of quantitative research are not appropriate for evaluating qualitative studies. According to Aamodt (1983), evaluation should be based on discovery, assumptions and context. Leininger (1994) suggested using measures such as credibility, confirmability, context, recurrent patterns, saturation and transferability in the evaluation of a study and Sandelowski (1986) suggested the use of auditability, credibility and adequacy.

Sarantakos (1993, p. 31) maintained that researchers using quantitative methods employ highly structured techniques of data collection because quantitative researchers are thought to assume a 'passive' role during the data collection but he reminds us that 'we should understand that qualitative research is a unique type of academic enterprise and should be

assessed in its own context'. In addition, Sarantakos (1993) reminded us that the qualitative researcher is actively involved in the process of data collection and analysis, and is often more aware than the quantitative researcher of the flow of the process.

#### 4.3.3 Justification for the Use of Qualitative Methodology in this Case Study

In arguing for the use of qualitative methods over quantitative methods, Conger (1998) stated that the latter are insufficient to thoroughly investigate phenomena with complex characteristics. On the other hand, qualitative methods, when properly employed, offer several distinctive advantages over quantitative methods (Conger, 1998). These include:

- more opportunities to explore phenomena in significant depth and to do so longitudinally;
- flexibility to discern and detect unexpected phenomena during the research;
- ability to expose rather than impose meanings, emphasising the variety of situations and milieus rather than overriding them;
- ability to investigate processes more effectively;
- greater chances to explore and be sensitive to contextual factors; and
- more effective means to investigate symbolic dimensions.

Stemming from Conger's (1998) views above, the use of qualitative methods in this case study was appropriate for several reasons. Firstly, qualitative methodology via the use of both formal and informal interviews afforded greater opportunities to explore public sector employees' understanding of change (management, processes and practices) and their stories enabled a comprehension and understanding of their personal feelings regarding change and change management.

Griffin and Phoenix (1994) made the important second point that, when little is known about the area to be researched, in this case, public sector employees' understanding of change and change management, qualitative methods are particularly suitable to use as they incorporate a high degree of openness and flexibility. In addition, if the area being researched involves sensitive or difficult issues, then qualitative research methods will facilitate this kind of discussion. As stated previously in Chapter One, ascertaining public sector employees'

understanding of change and change management is a sensitive issue because most are afraid to jeopardise their position in the organisation.

Thirdly, reflexivity, an important part of the process of qualitative research, especially for marginalised employees, is particularly relevant in this study. According to Opie (1994), reflexivity engenders the empowerment of the individuals taking part in the research process because they perceive that they are making a significant contribution to the description and analysis of an issue. In addition, the interview process itself might give the participant the opportunity to reflect on and react to their experiences, and equally give as much opportunity for the researcher.

The use of qualitative methodology in this case study enabled the researcher to:

- Look at the larger picture of change (management, processes and practices);
- Examine relationships within the organisation;
- Focus on understanding a given social setting but not necessarily on making predictions about that setting (South Australian Tourism Commission);
- Remain in the research setting over time;
- Incorporate informed consent decisions and to become responsive to ethical considerations;
- Incorporate room for description of the researcher's role as well as his potential biases and ideological preferences; and
- Engage in ongoing analysis of the data. (Janesick, 1994)

#### 4.4 The Interpretivist Approach to Inquiry

The interpretivist tradition is concerned with studying what is happening and being enacted in the world according to the interpretations of the actual participants in the activity in question. A basic tenet is that any given social 'reality' is the social construction(s) of the actors in that 'reality', and that an essential in human action is what humans 'know' and experience to be their own reality (Berger and Luckmann, 1971). The interpretivist approach to inquiry views reality as multiple, contextual and subjective. It understands that to be human is to be in the world, participating in cultural, social and historical contexts, all of which influence individual interpretation of self. It requires any inquiry into human activity to focus on

meaning and explanation. *Meaning*, according to Allen, Benner and Diekelmann (1986, p. 28) resides within a transaction between the individual and the situation, 'so that the individual both constitutes and is constituted by the situation'. This in turn results in knowledge. To further explain the type of knowledge created within the interpretivist paradigm, Greene (1990) presented the 'character, form and substance' of interpretivist knowledge. Among these are included the following:

Interpretivist knowledge is grounded knowledge (Glaser and Strauss, 1967) ... both discovered and justified from the field based, inductive methodology (Guba and Lincoln, 1988) of interpretivist inquiry.

Interpretivist knowledge represents 'emic' knowledge or inside understanding of the perspectives and meanings of those in the settings being studied, and it encompasses both propositional and tacit information ... That is, the understanding communicated in the interpretivist knowledge comes not only from words but from the broadly shared contexts of natural experience within which it is embedded. (Greene, 1990, p. 235)

The process of identifying the inquiry framework for this case study brought with it an introspective questioning of personal beliefs about knowledge accumulation and the research process. To be situated within the interpretivist paradigm requires accepting its assumptions. For example, the notion that reality can be individually constructed necessitates seeking individual interpretations. Whilst the researcher's relationships with the research participants were interactive, the researcher had to guard against personal perceptions and interpretations such as fear of victimisation, lack of eloquence, lack of confidence and his individual limitations as a researcher. Also, for the researcher, the anticipation was that the results of the research should legitimately reflect the understandings of the research participants and should be understandable to them, to other people who worked in similar circumstances and to people outside the situation.

#### 4.4.1 Assumptions of interpretive research

Interpretive research assumes that people are conscious, thinking beings. It takes people as the subject, rather than the object to be studied. It assumes that we can better understand what is going on around people if we incorporate why they think what they do in a particular situation. If we view people's actions as social interactions, it takes into account other people who might have an impact on the situation.

Based on the views of Berger and Luckmann (1971), Lythcott and Duschl (1990), Connole, Smith and Wiseman (1993), Taylor (1994), Sarantakos (1998) and Neuman (2000), the key assumptions of interpretive research and their relation to this case study can be surmised as follows:

1. Interpretive research is primarily concerned with the identification of subjective meaning that employees attach to change and change management;
2. Interpretive research is associated with the perceptions, feelings, and judgments of employees in relation to change and change management; and
3. Employees act intentionally and ascribe meanings and interpretations to their actions in relation to change and change management.

To elaborate on the above, it must be noted that identifying subjective meanings provides a more comprehensive collection of information, so that the key issues for the employees affected by change are not overlooked or under emphasised. For example, senior management may perceive training and development to be the key factor to successful transition to new work practices during change whereas some employees involved may be more concerned about required changes to hours of employment. Meanings can be expressed in many ways, including evaluative judgments, assessments, reflections, feelings, definitions, thoughts, musings, questions, concepts or theories-in-action.

There are certain other points about interpretive research that a researcher or practitioner would do well to consider, as described in the following paragraphs.

*Interpretive research is undertaken within a social situation, taking into account a cultural and historical framework.* In other words, interpretation occurs in a historical and social context. As this researcher had experience with a number of changes in the organisation, interpretive research allowed for the utilisation of personal experiences and an understanding to facilitate the data collection and to assist in comprehending why participants perceive things the way they do.

*Interpretive research itself rests in the hermeneutical method,* which in the social sciences is defined generally as ‘the theory and practice of interpretation and understanding in different kinds of human contexts’ (Connole, Smith and Wiseman, 1993, p. 115). In this view,

meaning is best elucidated 'in situ', which in research terms, suggests that a full understanding of social meanings will include not only the interpretation of individual social actors, but also the investigation of the context in which those meanings are being made, and the relationships (individuals/researcher) there. Engagement in interpretivist inquiry afforded the researcher the opportunity to elucidate meanings in situ, that is, within the SATC and to ascertain the 'whole picture' regarding change within this organisation.

*The interpretive research approach is itself productive of meanings and interpretations.* The interpretive approach is self-reflective. Rather than studying social situations as if they were objective facts 'out there' to be discovered, it was recognised by the researcher that there had to be collaborative involvement in the social events being studied. The interpretive account, which is then produced as the result of the interaction, is itself a construction of reality, and as such is only one amongst many other possible different accounts. Thus, as Lythcott and Duschl (1990) state, in interpretive research there is no absolute justification of knowledge by either experience or reason.

*Interpretive research* encourages reflection by participants and participation in the interpretation of results. An important priority in this case study was that it should give rise to increased organisational awareness and improved change processes and practices that would be evident to those involved in the study. Interpretive research's interest in the perception of reality of those contributing to the research was therefore highly suited. This style of research also allows for the modification of design as information unfolds, uninhibiting exploration of issues which participants view as important.

*Interpretive methodology is not without its critics.* Common criticisms have been noted by Connole, Smith and Wiseman (1996), who maintained that critics often critiqued the interpretive approach as being too closely related to 'common sense', which was seen as a downfall. Interpretivists have sometimes been seen as too impulsive, their findings ill founded and at best 'soft', unreliable and naïve. In its defence, proponents explain that epistemologically, technically and ethically, it is in fact a valid form of research into what people do. Its defenders claim that it is more systematic than commonsense. Other critics accuse the method of being neglectful of the causes of the subjective meanings, being sought so earnestly, and that this then conceals the justifications of resulting actions. This is a limited

and misleading construction of interpretive approaches, which actually do not ignore the questions of 'who benefits' nor the wider influences attached to subjective meanings, as the critics would have us believe.

Critics also consider that the interpretive approach concentrates too much on the 'actor' beliefs, thereby allowing the subjective meanings of the participants to equate reality. The importance given to the subjective meanings to understand human action does not presume they are absolutely correct. People may be being deceived or deceiving themselves or they may be acting on beliefs that are incomplete, or irrational, which is accepted by the interpretive approach. The focus on the participants' meanings can also be justified by the setting of constraints by the researchers, who may opt to look at only one area of possible study (in this case the subjective meanings given by those involved) (Connole, Smith and Wiseman, 1996).

The interpretive approach has been engaged by those utilising a wide range of social theories, and Leininger (1985) considered this a documentation of how people view the world through interpretation. Most writers on research methodologies agree that a qualitative interpretive approach produces data about a situation from the perspective of a participant (Berger and Luckmann, 1971; Lythcott and Duschl, 1990; Connole, Smith and Wiseman, 1993; Taylor, 1994; Sarantakos, 1998; and Neuman, 2000). This case study held the assumption that employees cannot set aside their values and views nor can they remain impartial to the values of people who influence them. This position does not mean the voice of the participants will not be heard, rather it allows for the recognition that the data collected will also be influenced by the values and views held by all those involved. Interpretive inquiry, in this sense, is a type of research that 'uses a unique way of penetrating to the meaning of the phenomena as opposed to critical exposition' (Tesch, 1990, p. 68). The words and language used by the participants are influenced by their social, historical and institutional backgrounds, and are reinterpreted through the same cultural descriptors that belong to the researcher (Crotty, 1998).



## 4.5 The Collection of Data Using Qualitative Methodology

The discussions that follow elaborate on the interview as a method of data collection; the manner in which the interviews were conducted in this case study; and the taping and transcribing of the formal interviews.

### 4.5.1 The interview as a method of data collection

In qualitative research, interviews are frequently used as major tools. Central to an interview is the act of asking appropriate questions which are shaped by the purpose of the research and the type of interviews being conducted. There are two types of interviews, informal and formal, both of which can involve individuals or groups. It is contended that the appropriate type of interviewing method employed depends on 'the research topic and purpose, resources, methodological standards and preferences, and the type of information sought, which of course is determined by the research objective' (Sarantakos, 1998, p. 179).

The method of data collection chosen for this case study was informal and formal interviews that sought to 'gain information on the perspectives, understandings and meanings constructed by people regarding the events and experiences of their lives' (Grbich, 1999, p. 85), in particular their lived experience of change (management, processes and practices). May (1993) suggested that unstructured interviews or informal interviews allow the researcher a degree of freedom to verbalise thoughts without imposing their views and wishes on the participant. In this case study, understandings of change were explored through participants 'telling stories' from the context of their working lives. They determined what stories they told, with what was included and how, determined later via the transcripts. In any interview, emphasis must be on wholeness, participation and dialogue, all linked to experience. An endeavour must be made to maintain a balance between control and flexibility, thereby allowing time to build up a rapport, responding to verbal and non-verbal cues and being prepared to share information, ideas and feelings (Sorrell and Redmond, 1995). As Fontana and Frey (1994) pointed out, interviews offer a powerful method to understand what others think.

Fontana and Frey (1994, pp. 361, 374) also recognised that interviewing has limitations that

need to be understood and addressed, maintaining that:

Asking questions and getting answers is a much harder task than it may seem at first. The spoken or written word has always a residue of ambiguity, no matter how carefully we word the questions and report or code the answers ... the interview becomes both the tool and the object ... [we] disclose ourselves, learning about ourselves as we try to learn about others ...the question must be asked person to person if we want it to be answered fully.

Another problem with interview-based research raised by Saljö (1997) is whether talk that arises from researcher-participant interviews is a reflection of what people think, or whether it is a contextual discourse that conforms to the social practices of the immediate time and space. Saljö (1997) referred to people's responses in such situations as 'accounting practices', which reflect the particular perspective of the interviewer. As Miles and Huberman (1994) pointed out, interview data is not so much 'collected' as 'co-authored'. A different, but related, perspective is the potential for interviews to elicit people's 'espoused' theories rather than their theories 'in use' (Argyris and Schön, 1974). That is, people saying what they think they should believe as a member of their profession, compared to recounting the beliefs that truly underlie their everyday practice.

Therefore, this researcher returns to the fact that researchers are constrained to asking people about what they think, in order to gain access to that thinking (Anderson, 1987; Miles and Huberman, 1994). The issue then becomes one of the quality of self-report data, which relies upon the skill of the interviewer in setting up the situation so that the interviewer and the interviewee are accounting a similar practice, the interviewee feeling comfortable enough to express their central opinions, establishing clear purposes for the research, selecting participants who are relevant to the research questions, using open-ended, non-leading questions, using consistent procedures across cases and settings, selecting researchers who have familiarity with the phenomenon under study and strong conceptual interests, using a multidisciplinary approach and employing good investigative skills (Miles and Huberman, 1994; Saljö, 1997). In the case study, careful attention was paid to the issues presented above.

Furthermore, according to Dyer (1995), the main criticisms of the interview method are whether the data is actually what the informant said at the time of the interview and whether

the data is what the interviewee meant to say. To a certain degree, the first criticism can be overcome by using an audiotape to record the interview that can be transcribed later (the process used in the formal interviews). The second, however, is not easily overcome and is a legitimate disadvantage of the interview method. However, to overcome this issue, the researcher could go back to the interviewees to seek clarification on unclear issues.

Judd, Smith and Kidder (1991) pointed out other disadvantages of using interviews as a tool for data collection. 'Interviewer effects' are one problem, where the interviewer's expectations or personal characteristics can influence responses. Respondents may give invalid, socially desirable answers to suit the interviewer's expectations, which is why interviews are often regarded as unreliable. Interviews can also be very time consuming and demanding process, and therefore can become costly.

However, the use of interviews does have its advantages. Judd, Smith and Kidder (1991) provide a succinct description of them as follows:

- The interviewer is able to establish a rapport and motivate the respondent to answer fully and accurately, thus contributing to the quality of the data obtained.
- The interviewer is able to notice and correct the respondent's misunderstandings.
- There is an opportunity to probe inadequate or vague responses.
- The interviewer has some control over the environment or context, including the biasing presence or absence of other people.

Whilst acknowledging the criticisms levelled against interviews, from a methodological perspective, collecting data through interviews has the capacity to capture rich and valid perspectives. As a means of data collection, interviewing is second only in popularity to surveys and can provide researchers with a wealth of information in addition to that which may be gained from questionnaires (Judd, Smith and Kidder, 1991). Interviewing also provides researchers with near perfect response rates to virtually all questions posed because there is a far greater likelihood that answers will be provided to the questions that are asked in person. The opportunity to use more complete questions, which provide more comprehensive information, is another benefit of interviewing (Sarantakos, 1998).

## 4.6 Ethical Considerations in this Case Study

The discussion of the ethical considerations that apply to this case study incorporates some of the processes undertaken in the recruitment of participants because these processes were underpinned by a number of ethical principles central to the conduct of research.

Research is a two-way practice between researchers and participants and must be conducted with trust and fairness between the parties. It is important that participation be voluntary without a fear of consequences that might arise from not agreeing to participate. Researchers can resolve this matter by explaining the nature of the research to participants, including the purposes and procedures of research, and making it clear how the results will be used. Burns (1997) asserted that participants must understand the nature and purpose of the research and must consent to participate without coercion.

Prior to the commencement of the actual interviews, issues relating to confidentiality and the right to discontinue participation were discussed with all 22 employees willing to participate. Proof of understanding of the research and agreement of participation was also obtained on signed consent forms. Burns (1997) mentioned that obtaining signatures on consent forms makes the situation clear and provides a degree of proof that the person was informed and consented to take part in the research. According to Burns (1997, p. 18), 'many researchers have their potential participant sign an informed consent form which describes the purpose of the research, its procedures, risk, and discomforts, its benefits and the right to withdraw'. All participants were informed of the manner in which the information was to be reported and were guaranteed that their confidentiality would be ensured at all times.

Furthermore, prior to the commencement of data collection process, formal ethical approval was sought and subsequently granted by the ethics committee of the University to engage in an ethnographic study of this nature. Internal approval within the SATC was sought from and granted by the Chief Executive. The initial approach to prospective participants was made through electronic contact accompanied by a form labelled 'Agreement to Take Part in Interview'.

#### 4.6.1 The principle of informed consent

The initial approach to prospective participants incorporated the notion of informed consent, which is illustrated by the ethical principles of respect and the related right to self-determination (Sarantakos, 2005). Crookes and Davies (1998, pp. 320-321) define informed consent as ‘the prospective subject’s agreement to voluntarily participate in a study, which is reached after assimilation of essential information about the study’. The fact that participants in this study could be reasonably regarded as ‘well informed’ in no way negates the fact that informed consent is a principle that is integral to the conduct of ethical research.

#### 4.6.2 The right to anonymity and confidentiality

Like the principle of ‘informed consent’, the right to anonymity and confidentiality is integral to the conduct of ethical research. In suggesting that the notion of anonymity applies to the participants themselves, while confidentiality relates to data and any possible links to participants, Sarantakos (2005) questions the extent to which the right to anonymity and confidentiality can be exercised. According to Sarantakos (2005), it is not possible to promise confidentiality when precise quotes are included in publications, although steps can be taken to protect anonymity via a number of ethical conventions: not naming participants, the use of pseudonyms in the research report, not using names to mark audio cassettes and ensuring that all documentation relating to the study is securely stored. The following anonymity and confidentiality guidelines were adhered to:

1. The identity of the informants remained confidential. Pseudonyms were used to protect participants’ identity. Participants were given the opportunity to select their own pseudonym and it is this name that was recorded during the taping and transcribing of the interviews.
2. Tapes will be kept for seven years then erased and transcripts either returned or destroyed at the end of the research. No transcripts will be left on any computer hard disk, CD or floppy disc.
3. With the participant’s permission, interview excerpts were used in the dissertation. Care was taken not to identify the participant or anyone else described in the interviews. All participants had the opportunity to comment on their interview material and will have access to the completed thesis.

4. During the interviews, the participants were able to ask for the tape recorder to be turned off at any time and that material be deleted if they so wished.
5. The data generated was not and will not be given to any third party in a manner that could identify the participants. The personnel who had access to the tapes was the researcher. Personal information that could allow for identification of participants would not appear in any reports, thesis or other work produced from the information gathered from the participants.

## 4.7 Selection of Participants

In both phases of the data collection process, a general email was sent to all staff inviting them to participate in this case study. Considerable effort was taken to ensure that all participants were fully aware of what was expected of them, and that these expectations were realistic and not exaggerated or minimised in terms of time, stress and effort. This follows the ethical responsibility that the researcher has to ensure that all participants know and agree to what will be disclosed about them and that they understand the risks and benefits of the case study (Dockrell, 1988). Participants had the right to withdraw from the case study at any time.

## 4.8 The Interview Process in this Case Study

As mentioned in Chapter One, in August 2007, 92 of 180 employees within the SATC volunteered to participate in the first phase of this case study. After receiving permission from the CEO of the SATC, the researcher interviewed these employees on an informal basis (informal conversational interviewing) regarding current work processes and practice, relating to, *inter alia*, communication effectiveness, company image, conflict management, human resources' effectiveness, managerial effectiveness, mentoring/coaching, organisation structure, participation/teamwork, role clarity, confidence in management, customer/client relationships, innovation, marketing effectiveness, employees' need satisfaction, and performance standards. All comments echoed by employees were noted by the researcher. It must be noted that this informal interviewing allowed the researcher maximum flexibility to pursue lines of questioning based on employees' views on current workplace processes and practices within the SATC. However, due to time constraints and the number of processes

and practices involved, viewpoints relating only to what employees considered important, were noted by the researcher.

In November 2007, 22 employees volunteered to participate in phase 2 of the ethnographic data collection process, that is, the formal interview process. The majority of interviews, 17 out of 22, were completed in November and December of 2007 by the researcher and the remaining were conducted in January 2008. The interviews lasted approximately one to one and a half hours. The shortest was forty minutes and the longest was two hours. The guiding research questions as stated in Chapter One helped to guide the process of the interviews and provided a context to develop an interview guide consisting of questions and statements to assist the participants in reconstructing their own experiences. Managers and employees were all asked the same guiding questions which formed the basis of the discussions. The interview process was not a structured question and answer session. Rather the questions guided the process and helped to facilitate a discussion with the employees, allowing for individual differences and similarities among the participants.

Here, the employees did not hesitate to respond to the questions and were quickly engaged in conversational dialogue. At the end of interviews, participants were always asked if they had any final words, which usually led them to provide recommendations. Also, during the formal interview process, each of the participants was interviewed separately using the same interview questions. With permission, the interviews were audio taped to support and clarify the written documentation that was also taken in note form by the researcher at the time of the interview. Despite some concerns that the small number of shorter interviews might not yield high quality data (Sarantakos, 2005), transcription of interviews revealed that it is possible to achieve 'quality' without 'quantity'.

In addition to the formal interview, the researcher did revisit the research site in May 2011. A detailed discussion on this revisit is presented in Chapter Six: Concluding remarks - revisiting the site.

## 4.9 Taping of Formal Interviews

Unlike the informal interviews where only the succinct viewpoints were noted, all the formal interviews conducted were taped. Participants were also advised that they could request to have the audio-recorder turned off at any stage during the interview and have specific sections of the interview erased for the sake of confidentiality if requested.

## 4.10 Transcribing the Formal Interviews

The recorded interviews were transcribed by the researcher and stored as text in hard copy and as computer files. Each interviewee received a hard copy of their transcript within twenty-four hours of them being transcribed. Two participants requested minor changes to their transcripts, and these changes did not alter the sense of the information provided. There was little need for alterations or follow-up clarification. This was attributed to the fact that this was a group of articulate professionals who were able to say what they wanted coherently and concisely.

The transcripts were read through several times to allow familiarity with the data (Boyle, 1991), early and immediate identification of the first tentative categories, themes and sub-themes, and the opportunity to make notes that might assist with forthcoming interviews. Patton (1990) also noted that the immediate post-interview period is important in terms of the rigour and validity of a qualitative study and thus every attempt was made to transcribe the interview as soon as possible after each interview, within twenty-four hours for the majority of interviews. Grbich (1999) suggested that transcribing interviews as soon as it is practicable allows a form of preliminary analysis, in which data is critiqued as it comes in, gaps in information are identified and various concepts and frames can be utilised to determine whether they shed further light on issues relating to the research topic. In this case study, these 'frames' had emerged from the theoretical perspectives described in the literature review and will be used throughout the period of analysis to facilitate 'an active interaction with the text in an interpretive manner' (Grbich, 1999, p. 218).

Upon the initial reading of the transcripts, the interview recordings were replayed several more times to clear any anomalies, a process that allowed further familiarity with the data,



and also to clarify errors and omissions in transcription. Once the data was transcribed, it was organised into manageable chunks or segments of text. These segments were sections of the text that stood by themselves and were able to be understood or still made sense when they were taken out of context (Tesch, 1990). The segments of text were then labelled or coded according to their meaning. This was achieved through continual reading of the data as the researcher proceeded in order to identify any categories and themes that emerged. During this process it was the researcher's responsibility to organise verbatim quotations gained during the interviews into a framework, in which statements made on the same or similar themes were grouped together. In this way common themes and concepts could be identified (Tesch, 1990).

#### 4.11 'Ascertaining the Truth' in this Case Study

Woods (1986, p. 83) wrote that one of the difficulties in the interview data collection process is determining whether the 'employees' are telling the truth or not. He asks, 'Is not this sort of material impressionistic, subjective, biased and idiosyncratic?' One possible way of overcoming this problem, according to Hayes (2001) is to ensure that the researcher has a set of well thought out questions, has good conversational skills and is well versed in the art of prompting. Woods (1986, p. 83) maintains that the researcher must 'be alerted to possible influences operating on [employees]—ulterior motives, the desire to please, situational factors like a recent traumatic incident, values—all of which may colour their judgements'. Further, the researcher must recognise accounts that are 'too emotional an account, too rosy a picture, unusual reactions' (Woods, 1986, p. 83). In order to cope with 'untruths' that sometimes contaminate the accounts, the researcher must reflect on the 'reliability of the [employee], and . . . the mental set through which the material has been processed' (Woods, 1986, p. 83). Also researchers should not be satisfied with just the one account. They must request further meetings with the particular employee to verify the truth.

Hayes (2001, pp. 25-26), drawing on the work of Bridges (1999), maintains that researchers should differentiate between the forms of truth that they are seeking by offering five alternatives:

1. Truth as 'correspondence' in which truth 'corresponds' with the actual state of affairs or conditions.

2. Truth as ‘coherence’, which relies on an inclusive system of beliefs.
3. Truth as ‘what works’ (pragmatism), where ‘the proof of the pudding is in the eating’.
4. Truth as ‘consensus’, where there needs to be agreement among the relevant population.
5. Truth as ‘warranted belief’, in which truth is provisional and may change as new evidence and thinking cast doubt on previous beliefs.

The researcher found this schema useful in this case study because it allowed him the latitude to position some of the conversations across these different categories of truth in order to ascertain the truthfulness of the conversation. In this particular case study, the researcher found ‘truth as correspondence’ the most appropriate, because the researcher wanted to hear what employees were saying about ‘the actual state of affairs or conditions’ of change and change management in general and within the SATC.

#### 4.12 Summary

This chapter presented the design and methodology used to carry out this case study. The use of qualitative methodology was argued for with reference to the literature. Issues regarding rigour and ethical issues and concerns in a case study of this nature were explored. The method used in carrying out this case study was described with particular attention to procedures and methods used in the data collection process. Attention was also paid to the issue of ‘ascertaining the truth’.

In the next chapter, the findings from the data collection processes are presented and discussed.

## CHAPTER FIVE: FINDINGS

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### 5.1 Introduction

The object of Chapter Five is to present the findings from both the informal and formal interviews. These findings will be presented in line with the methodological descriptions detailed in Chapter Four. This chapter will firstly present the findings from the informal interviews conducted in August 2007 (Phase 1 of the data collecting process). It must be emphasised that the findings generated are as a result of the researcher's note taking during the informal interviews and that the informal interviews were not based on the premise of numerical discovery, that is, ascertaining the number of employees views on a particular issue. The aim of the researcher was to find out how employees thought and how they reacted to particular issues within the organisation (Kotler and Armstrong, 2010). ). It is for this reason that the findings are presented as a summary of general responses to workplace processes and practices raised by employees within the SATC.

The key premise for undertaking the informal interviews was that knowing employee understandings and taking appropriate action in relation to work processes and practices would both satisfy employees and help to ensure the organisation creates a work environment that optimises the contribution of the workforce to its strategic objectives.

The findings from the formal interview process (Phase 2 of the data collecting process) are then presented. Here, the discussions, in greater detail, revolve around the informants, the emergence of themes and vignettes of stories of employees' understanding of change and change management.

### 5.2 Findings from the Informal Interviews

The findings from the informal interviews conducted with employees are presented below followed by a summary of the key points of discussion. In total, employees' viewpoints on the different work processes and practices within the SATC were noted by the researcher and are presented below. A summary of employees' viewpoints on the different areas of workplace process or practice is presented below.

### 5.2.1 Communication effectiveness

To communicate with everyone in the organisation the goals and objectives for their particular area of responsibility requires that information is presented in a consistent manner and in a variety of ways that are positive, informative, candid, supportive and timely. It also requires managers at every level to be available to their staff, and ensure that no information is missed or misunderstandings occur.

With regard to the issue of communication effectiveness within the SATC, employees echoed the following views:

- Management made themselves available to communicate with their employees whenever required.
- Objectives were clearly communicated in an open and candid way.
- General communication within the organisation was viewed as being helpful.
- Communication within the SATC was effective in that it provided adequate information and permitted satisfactory discussion on most occasions.
- Some employees felt less positive about how well their manager was keeping them informed about organisational matters, about meetings being productive, the organisation being able to adequately cater for the needs of its customers, and about customers being satisfied with the quality and availability of the services and/or products.

### 5.2.2 Company image

Company image is a significant factor in building a loyal customer base, community approval of the organisation, and being recognized as an ‘employer of first choice’ by both existing employees and potential recruits. Employees in the organisation can have a significant impact on how the organisation is perceived and can help build and maintain the organisation’s image.

‘Company image’ was seen in a positive light by employees. The following responses indicate that employees were generally satisfied that the SATC was seen this way by both employees, the public and associated agencies. Common viewpoints expressed include:

- They were happy to recommend this organisation to others as a good place to work.
- They believed that the organisation was well known for its product and service quality.
- They were confident that the company was being recommended favourably to others.
- They were of the opinion that the company was seen to compare well with its competitors, with employees confident that the company performed at least equal to or better than others in the industry.
- They felt that the organisation was seen to be contributing to the community in a worthwhile manner.
- Some employees felt that people who earned respect outside the organisation progressed professionally in the organisation, and that working conditions at this organisation were improving all the time.

### 5.2.3 Conflict management

Conflict in an organisation can be a major source of creativity and initiative, or a destructive force preventing people from realising their full potential.

Whilst there were differing viewpoints on the issue of conflict management within the SATC, in general terms, employees expressed the view that:

- There were levels of unproductive conflict between groups in the organisation.
- Conflict Management, did on occasions, cause dissatisfaction and frustration more often than was desirable, leading to inadequate overall performance on various occasions.
- Problems between groups were not as openly faced as required.
- There were no real attempts by management to resolve conflicts between groups.

### 5.2.4 Human resource effectiveness

The policies and processes which determine how people in an organisation are led, managed and developed will either contribute to or detract from their willingness and capacity to make commitments and significant contributions.

Human resource effectiveness was viewed in a negative light by the majority (65 per cent) of employees. Some were of the opinion that whilst the SATC was concerned with improving

the work conditions of employees, the following issues needed to be addressed:

- Staff turnover was perceived to be a problem in the organisation and that a review of retention strategies and related policies was warranted.
- The staff performance appraisal system was in need of improvement and that there was a need to seek out where the current system was not meeting employee expectations/requirements and action be taken to alter or replace the current system to incorporate those requirements.
- The effectiveness of the performance appraisal system was in doubt in terms of improving the performance of employees.
- A review of the performance appraisal system was expected to be of benefit ensuring that revisions included the follow-up training/development for employees as appropriate. More often than not, follow-ups were not adhered to.
- The system of staff appointments and/or promotions did not generally appear to be well-understood by employees in the organisation.
- More clearly defined recruitment and selection procedures needed to be adopted and current policies and procedures should be communicated more effectively to employees.
- The Human Resource Department was meeting the needs and requirements of both the organisation and the individual less often than was desirable. It was imperative for management to rectify this problem.

#### 5.2.5 Managerial effectiveness

Managers need well thought-out and documented plans, budgets, control systems and reports, which focus on areas like variance (gap) analysis, performance appraisals, and clear measurable objectives, so they can put their time and effort into determining trends and concentrating on activities that yield maximum benefit for the organisation.

With regard to the issue of managerial effectiveness within the SATC, viewpoints differed among the employees interviewed. While some employees expressed the view that there were genuine attempts on the part of management to set clear and more measurable objectives for groups or units within the organisation others were of the opinion that plans of action relating to managerial effectiveness were not always seen to be based on departmental objectives. Some employees stated that managerial effectiveness was adequate some of the time but was unlikely to be consistent or sustained over the longer term. Those endorsing this view suggested that:

- Proper strategies should be implemented to ensure developmental objectives were considered and included when devising action plans.
- The organisation needed to take full advantage of strengths or successes that occurred when work objectives were met or exceeded.
- A review of the key elements of successful activities was needed to help capitalise on the strengths of workplace processes and practices.
- Leadership staff should devote more time and energy in assisting other staff with their development. This was not always seen to be the primary concern of leadership staff in the SATC.

#### 5.3.6 Mentoring and coaching

Organisations that provide a formal system of mentoring and coaching ensure that their people have the best opportunity to perform, grow and develop. Managers and executives can be provided with the necessary training and tools to undertake this role.

This workplace process or practice was received unfavourably by almost all employees. Common viewpoints expressed included:

- Mentoring/coaching was not a strong feature of this organisation.
- Mentoring/coaching was marginal in the organisation.
- Employees did not receive the mentoring/coaching with the level of quality that they needed.
- The organisation should more formally support mentoring/coaching of staff in their work.

### 5.2.7 Organisation structure

There is no one best way of structuring an organisation, but how well it is done will have an important impact on effectiveness and efficiency. Some of the significant issues are coordination and integration of effort, fostering localised (geographic or departmental) decision making, having the correct number of management layers and encouraging mutual cooperation between functions or departments.

In general terms, employees interviewed stated that:

- The organisation structure did not positively permit necessary decisions to be made close to the point of action.
- The organisation structure allowed for some coordination, or integrated effort, but limited management action in various ways and reduced the overall organisation effectiveness and efficiency.

### 5.2.8 Participation and teamwork

Organisations that foster a spirit of participation and teamwork create an environment in which diverse views and opinions can be accommodated and blended to engender a sense of unity. In other words, none of us is as smart as all of us.

The issue of participation and teamwork was also perceived in a poor light by employees. There was common consensus that:

- There was a need for more co-operation between the various units/groups within the organisation. Only a small percentage of employees engaged in this practice.
- There was a greater need for better integration and working across groups/units, and a greater sense of common purpose and teamwork in the organisation.
- With regard to decision making, decisions were not generally made in the organisation with sufficient consideration of the views of all relevant parties. For this reason, employees advocated that a more collaborative approach to decision making would enhance employee commitment and 'buy in' on decisions.



- Participation/teamwork was of a poor standard, with minimal involvement of people/departments who could contribute to an overall, better quality result. Thus, there was room for improvement in the area of participation and teamwork.

#### 5.2.9 Role clarity

Role clarity requires knowing who does what (solo or shared), where and when, how much and how often. Roles need to be clearly defined, and people need to have the appropriate responsibility and authority to make decisions, solve problems and take action.

With regard to the explicit explanation of their roles within the organisation, employees expressed the following viewpoints:

- Role clarity was of an adequate standard, with most employees having a reasonable grasp of what was expected of them, and where their role fitted in the organisation and that employees were generally aware of the inter-relationship between their own job and the jobs of others to support effective teamwork.
- Not all employees in all areas of the organisation were accepting their responsibility for outcomes.
- There should be a greater focus on how well employees were co-operating across groups and units in the organisation.
- Employees did not have the scope to act independently or interdependently as needed in the organisation.

#### 5.2.10 Confidence in management

People want to work for an organisation where executives and managers are actively involved in leading and directing the organisation thoughtfully through strategies and plans. They want managers that are aware of organisation issues at all levels, and are operating to an appropriate business model.

Most employees indicated that they had confidence in management. The following viewpoints were stated:

- Managers were respected as leaders.
- Management was setting realistic work objectives.
- The value of performance appraisal was recognised and was helping employees with their performance.
- Management decisions were based upon sound business logic.
- Managers were setting a good example.
- Some senior management staff were not seen to be aware of problems that existed in the lower levels of the organisation.
- Employees were in favour of improvements regarding communication channels throughout the organisation by increasing team and departmental meetings and ensuring that the information was filtered up to, and acted upon by senior management as appropriate.

#### 5.2.11 Innovation

Innovation can take place in products, systems or processes, and entails regular generation of new ideas and concepts by all areas of the organisation. Whether these ideas come from within the organisation or some external source is of less importance than how they are encouraged, tested, evaluated or adopted. Creativity is encouraged so that people feel free to submit suggestions for change or improvement.

Innovation within the SATC was deemed necessary for the survival of the SATC. As stated in the literature review, the SATC faced fierce competition from interstate competitors. It is for this reason that the adoption of new innovative policies, processes and practices were imperative. In general terms, employees stated that:

- They were satisfied with the processes in place that supported some degree of innovation, but they felt that their work environment did not encourage them to take calculated risks, to be innovative and to think creatively.
- Innovation was apparent occasionally, but was unlikely to be a strong feature within the organisation.

### 5.2.12 Employees' needs satisfaction

People go where they are wanted and stay where they are appreciated and their needs are met. Meeting those needs includes providing satisfying work, making available opportunities for personal growth and development, giving positive feedback and providing a safe, secure work environment.

In general terms, employees stated that:

- They felt that their managers were confident in their ability to perform their role functions within the SATC.
- They felt that their work was being used in an effective manner to contribute to the success of the organisation.
- They derived a great deal of personal satisfaction out of performing their jobs competently.

## 5.3 Findings from the Formal Interviews

### 5.3.1 Introduction

Data from the formal interview process that also informed the ethnographic component of this research is presented in this section. The presentation of the data is divided as follows: a brief description of the informants, the data from the individual interviews in the form of themes and a summary of the results. The use of employee quotations (in the form of vignettes) is significant throughout this section. These have been included as a means of representing the voices of the employees. The quotations are taken directly from the transcribed interviews and are presented here in an anonymous format to ensure confidentiality. It must be noted that all of the themes were considered equally important because of their content matter and that the order in which the themes are presented is not representative of any hierarchical significance.

### 5.3.2 The informants

The employees who agreed to participate in this qualitative section of the research study included administrative service officers (ASO) and employees in managerial positions within

the organisation. The majority of them were permanent employees within the SATC and were experienced public sector employees. Many had worked in the public sector environment for a period of more than five years in senior positions. A small percentage of employees had a minimum of two years of public sector employment experience. In total, 10 male employees and 12 female employees agreed to participate in the interviewing process. In order to preserve the anonymity of these employees, their names were replaced by pseudonyms that they had selected for themselves.

### 5.3.3 Emergence of major themes

After reading the interview transcripts, the researcher structured the data into major themes and categories, with minor themes also identified. This issue was discussed in Chapter Four - 'Transcribing the Interviews'. Six major themes regarding employees' perceptions of change and change management were identified, namely:

- Theme 1: An understanding of change and change management processes and practices.
- Theme 2: Employees' experiences of change.
- Theme 3: Resistance to change.
- Theme 4: Communication.
- Theme 5: Managerial effectiveness.
- Theme 6: Change and change management: A top-down driven policy.

A brief synopsis of the themes in relation to the literature is presented in Chapter 6: Discussion of Findings.

#### **5.3.3.1 Theme 1: An understanding of change and change management processes and practices**

Most of the employees interviewed had limited knowledge and understanding of change and change management processes and practices. This view was evident in the statements made by 'Anne', 'Isabella', 'Fred', 'Madeline', 'Mike' and 'Sol'. For 'Anne':

*Change is anything different. It is anything different from the thing you did the day before. So change can be as minute as moving the location of the printer to actually changing your role within the organisation and your functions.*

Her view of change and change management suggested a simple understanding of the processes and practices associated with change. However, for 'Fred' change was:

*... a new direction that part if not all of the organisation needs to undertake. It could involve a change to tasks, roles, responsibilities, job descriptions and such.*

Likewise, 'Sol' mentioned that change and change management was:

*... about doing things different or having a different emphasis on the way that we do things.*

'Mike''s response to the question regarding his understanding of change and change management reflected a degree of vagueness, in his response as below.

*I gather change within an organisation could mean a multitude of different things, from staff changes to the restructure of the actual hierarchy of the organisation.*

'Isabella' and 'Madeline' expressed similar views in the interview process. Isabella expressed her view of change as a way of life. For her, change was:

*... what happens every day when you come to work. It is a major project or initiative that would result in significant change at various levels. It might be at a superficial level where you change people's procedures or their job descriptions and roles and responsibilities. At a lower level, it might mean changing the way people relate to each other but at a deep level it might mean changing the culture of an organisation.*

This view is in keeping with 'Madeline''s opinion of change, in that change for her was:

*... going from something that you are familiar with, something that is the normal way of doing things to a different way of doing things.*

'Latte' believed that:

*Change management and practices are used by organisations to better their productivity and staff morale ... to increase productivity and effectiveness in the organisation.*

In line with the above view, 'Sarah' believed that:

*Change management is the implementation of a system to improve the effectiveness of the way something works. It could be a tool. It could be a structure. It could be technology and I guess change comes from that. Basically, change is about the way something works to bring about more effectiveness.*

‘Pinarello’, on the other hand, viewed change and change management as a two-fold process. His understanding of change and change management indicates that he is aware of both the internal and external forces responsible for change. Whilst ‘Pinarello’'s understanding was limited, his views expressed a greater understanding of the nature of change. Thus, according to ‘Pinarello’:

*Change is probably two-fold, internal change and external change. Internal change probably being where an organisation wants to improve processes to better deliver its business so that might mean a change of restructure of departments and managers. Externally, it may be the changes that come out of any changes in industrial relations or law or changes in accepted practices, for example, in terms of maternity leave.*

‘David’, who admitted that he adhered to change processes, also conceded that he lacked a basic understanding of change and change management. He maintained that as a public sector employee, he was obligated to participate in the change process. As a result, he viewed change as:

*... just a normal part of management. It is keeping in touch with staff that you have, with the situation you are in. It should be in conjunction with the employees. You need to know what their feelings about the change are and make sure they do understand that the change is for good. It is not for punishment or anything else. It is about the future, it is about building on the past or learning from that.*

‘Jeff’ stated that he understood the need and purpose of change and change management. He explained:

*I understand change to be a natural process within the operational aspect in terms of the government sector. It is something that is brought about to improve the way that an operation works so change management is about trying to improve the operation of a workplace.*

For ‘Jeff’ it was necessary to accept change but he was uncomfortable in accepting change management. ‘Jeff’ went on to explain that he was concerned with issues relating to the management of change rather than the change itself.

‘Sandra’, speaking from a manager’s point of view, made the following comments in relation to change and change management:

*When something changes something moves from one thing to another. There’s management change, there’s organisational change. When you get new managers, you get organisational change which can actually be relocating*

*people or relocating sections within the organisation. You also get a change in direction in terms of strategies and policies.*

*I believe it's a process by which an organisation wishes to move forward or to potentially review and then potentially change how it is doing business ... a certain direction a business wishes to take.*

‘Ted’ and ‘Max’ stated that change and change management in public sector organisations see the issue of efficiency as a core principle. For ‘Ted’:

*Change can be change in management, in the organisation's objectives ... could also be employment change, even change within the unit, within the organisation for the sake of efficiency and effectiveness.*

Likewise for ‘Max’,

*Change is about change in work duties, policy, in management direction, change of process in order to make the employee more productive. It is also politically, socially and economically aligned.*

‘Sue’, on the other hand, was quite adamant that change and change management was closely linked to changing individual work behaviour. She confessed to initially having difficulty in comprehending the purpose of change and change management.

This was reflected in the following comments:

*I just don't understand where the whole . . . you know . . . my understanding of how it all fits together . . . why? I mean, what's the ideology behind it? What's the idea? What's the purpose of it? For me, change can be anything to do with a person's set of circumstances. It can be personal change, it can be expectations from the employee or it can be change in priorities.*

Another important theme to emerge from the data was employees’ experiences of change. These experiences are illustrated below.

#### **5.3.3.2 Theme 2: Employee's experiences of change and change management**

Some employees conceded that change has had a negative effect upon them. According to these employees, change in the organisation has resulted in apprehension, anxiety, fear, disillusionment and shock. These emotions were evident in the following claims made:

*I think sometimes it makes you feel unsettled ... So it gives you a little bit of*

*apprehension' (Anne); 'I think I experience a bit of anxiety, a bit of the unknown. While there is an attempt to communicate by management and to be as open as possible, I still have a fear of the unknown' (Claire); 'I think initially I experience a bit of anxiety ... yes, a bit of anxiety to begin with' (Fred); 'The immediate response in my case is to sort of be fearful of change' (Jim); 'I think there is always the initial anxiety when the change is being communicated to us ... so there is always some anxiety attached' (Sarah); and 'If I had to pick on one emotion, it's probably "disillusionment" because at the end of the day, I don't believe the department is being honest with us when it comes to change. (Sol)*

On the other hand, some employees viewed change as a challenge. 'David' had this to say about change:

*I actually love and look forward to the challenges of change. That's what keeps me vibrant and keeps me interested. So I embrace change with excitement.*

Other employees were motivated by change and saw it as 'a sense of excitement and intrigue'. These and similar views are illustrated below.

*There's a feeling of excitement, of moving forward and opportunities coming from that' (Isabella); 'I see it as a challenge and it's more of wonderment' (Lisa); 'Change is good ... I don't think I have any reservations so the way I feel about change is that I accept it. I am motivated by it' (Mike); 'Personally, I get to experience the opportunity to have an impact on an improved way of operating in the organisation' (Ted); and 'Some people might see it as a challenge for them. I see it as one of opportunity. (Jeff)*

Whilst some employees were apprehensive, anxious, fearful, disillusioned, shocked, challenged, excited and motivated with the impact of change, some were clearly unsure about the impact of change as was evident from their comments:

*I experienced a lot of different things. I am not sure whether it is disappointment or excitement. (Max)*

*It's probably the more you go through change, the more you understand how to deal with the process and re-adapt and probably that comes down to finding routine, finding a common understanding, whether it be the people you are working with or systems in place and how they operate. So I need to go through more change before I can comment on how it has impacted on my work. (Pinarello)*

*Depending upon how directly it affects you. Assuming it affects you directly and you don't agree with the change, obviously you cannot make a judgement ... I*



*guess it's more a wait and see approach will lead to a bit of unease and nervousness. (Sandra)*

*I think that some people go through varying emotions when they experience change. For me, I am not sure. I don't know if it has affected me or not at this stage. (Marilyn)*

Another theme identified was 'resistance to change'. This is represented next.

### **5.5.3.3 Theme 3: Resistance to change**

Most of the employees interviewed said that they did not resist change at all. Their actions were intrinsically related to their personal circumstances and their understanding or lack off the purpose of the change. This came as no surprise to the researcher given the constantly changing nature of the public service. In some instances, this has led to degrees of resistance on the part of some employees whilst in other instances, it has led to complacency.

'Sam' strongly admitted that she was adverse to resistance in any form. She stated that:

*No, I certainly don't resist change at all. All my life I have been faced with a lot of change. Sometimes it might take a while for you to accept the way things are going but you got to look at some of the positive sides of change as well. So why resist it?*

'Anne' echoed a similar sentiment by asserting that:

*I guess personally, I embrace change. It's when you resist change that it becomes a detriment to what you are doing. The best way is to be open to the change and see how you can make it fit to what you are already doing and work it into your day-to-day duties.*

For 'Claire', change and change management was an occupational necessity that is characteristic of contemporary organisations. It was for this reason that she accepted change. This was evident in her response below:

*I guess I personally haven't resisted change. There's no point in resisting change because it is inevitable. The best thing is to try and understand what it is all about and put yourself in the best position to achieve whatever needs to be done.*

Likewise, 'Sarah' saw no value in resisting change. She made the point that:

*No. I don't resist change practices because I often do not see the point, particularly in restructures. Management will do whatever they want to do and*

*you just go along with whatever it is they want you to do. I often don't think there's necessarily any point in resisting change.*

Another important reason for resistance is closely dependent upon employees' understanding of change and change management processes and practices. As discussed previously, some of the employees interviewed had a limited knowledge and understanding of change and change management processes and practices. This influenced the degree of resistance displayed and this is clearly evident in 'Claire''s situation. According to 'Claire':

*I think they [employees] only resist if they don't understand why we are doing it, that is, change and change management. I think if they understand, for example, why two groups are coming together, what we want to achieve, then 'yes', they will not resist change and change management. If they don't understand, then there's going to be resistance. Why will they want to change if they don't understand what we are trying to achieve?*

'Sue''s viewpoints were similar to those expressed by 'Claire'. Like 'Claire', the degree of resistance displayed by Sue was totally dependent upon her understanding of the change to be implemented. This admission is apparent in her response below:

*No, I do not resist change if the change is meaningful and if I understand the purpose for the change. I have had a lot of change in my life and I always like to see the positive in things and see things as a challenge. Likewise, I see change in this organisation as a challenge.*

'Max' echoed a similar view:

*Well, no. No, I don't resist change. I said earlier that change is part of the workforce. It has to be. Different strategies are needed so change is with us. I don't resist it.*

Furthermore, the data gleaned during the interviews with regard to the question of resistance, revealed that it was directly related to the implementation of all relevant processes and practices associated with the change. This was echoed by 'Jeff' who mentioned that:

*I think in most cases, I would not resist change.. I don't think resistance really is an issue. I think that the issue is related to processes related to change. I think if I have an issue with the change process being proposed, sort of, vent to seek to have a resolution that might be more workable.*

'Fred' also stressed that his main concern with change and change management revolved around issues concerning the implementation of change management processes and practices.

He admitted that he considered himself a professional and felt that the onus lay with management to implement proper processes and practices. Whilst acknowledging that he did not resist change, 'Fred' explained that he would question the processes employed if he considered them unprofessional. To this end, he maintains:

*No, I do not resist change but I have questioned un-ethical change processes, absolutely. Obviously, if someone suggests that you change the way you do things, you question why and I have questioned why.*

'Latte', an employee in a managerial position, also voiced similar opinions. Unlike 'Fred', she resisted change to some degree but in a limited capacity. She limited her concerns to her immediate manager only. However, she did admit that at times she questioned change processes and practices. While she did not elaborate on her reasons for seeking further consultation with executive management, her opinion was:

*Yes, I have resisted change but only to my immediate manager and not at higher levels. I voiced my opinion on processes that were about to be implemented.*

Also, with regard to the issue of resistance, both the subjective and objective intentions of some employees at SATC in relation to change are illustrated in the comments:

*It's hard to define what resistance is but certainly at different times, I have not agreed with things and I have said so. I most certainly say things because I am that type of person but do not actively resist. I mean if something happened that I really did not like, I would let it go and seek employment elsewhere. It's as simple as that. (Sandra)*

*I think I have not resisted change in the sense that I am probably averse to being a risk-taker. Hence I've stayed with the Commission for a while. Personally, I do not take chances because this is not characteristic of me. (Isabella)*

*Probably not, I am not that kind of personality type. I wouldn't necessarily resist. (Madeline)*

Another important theme to emerge from the data is related to communication.

#### **5.3.3.4 Theme 4: Communication**

Communication plays a central role in human interaction as well as the interaction between employees (Sedgwick 2010a). This important process is also acknowledged by the executive management within the SATC who view communication as being primarily a two- fold

process, namely, to analyse their own communication, as well as to design communication programs that complement quality objectives, team needs and specific plans of action.

Within the SATC, the importance of communication as viewed by the interviewees is reflected in the following comments:

*Personally you will find that there is a high level of communication in the organisation. (Jeff)*

*On a general level, communication within the agency is almost perfect because I think people try and make that effort to communicate, to get different opinions from different areas so that everyone's involved, everyone has a stake. (Sarah)*

*I got to say that communication is pretty good. I mean they don't hide things from you. (Max)*

*I feel that there is good communication within the group. (Ted)*

However, 'David' articulated the view that:

*There needs to be an open line of communication from top to bottom. We get more information from rumours than we do from bosses and that is something that is sad and not healthy. You need to give employees a general overview of what is happening. Don't give us a pdf of 900 pages or whatever. Talk to us about the Australian Tourism Commission and what it does. Talk to us. We need to know the truth.*

'Sandra' also expressed similar concerns when she stated that:

*I don't think that all information is presented in an open manner. Quite often one gets the feeling that some decisions already made are being sold to you. So I don't think this organisation fosters open expression or opinions if your viewpoints happen to differ from those being presented to you.*

Furthermore, a few interviewees felt that communication channels at the SATC were time consuming because it involved many people and were fraught with fabrication of information, which distorted the communication. At times important information was only filtered down to certain units in the organisation at the disadvantage to other units. There was a concern that appropriate measures should be taken in order to improve this deficiency in the communication process.

It was also mentioned by a few of the employees that they felt that the issue of openness and trust among the different units within SATC, as well as among individual employees, was being eroded due to poor communication. Madeline said:

*I cannot stress how important communication is and my experience has been that when you are not communicated to truthfully then you do not trust ... If your communication channels are open and honest, change is an easy thing.*

‘Sam’ stated that:

*I believe that the Commission does try to be seen to be providing as much communication as it can. There are regular staff meetings. I suppose there is a good flow of communication but whether we can expect what is being told is correct, is true, I am not sure.*

The issue of communication being a time consuming process was echoed by ‘Sue’ who asserted that:

*Communication needs to be timely. Often people with my experience are very aware of changes that are going on a long time before it is formally articulated which leads to a lot of rumours, suppositions and misinformation. So timely communication is a fundamental sort of thing.*

Also, some employees explained that there was a lack of information about the daily activities within SATC because there was big gap between executive management and lower level employees and that most employees were not involved in the change process. One of the employees, ‘Claire’, had this to say:

*Communication can always be better. I have come across a couple of situations recently where information was withheld to strengthen a particular argument or a particular case. You go, ‘Hang on. You are not sharing that information. How can we have an honest and open debate?’ and that affects your trust. If you feel there is open communication between individuals and groups then the trust is there ... I don’t think there’s enough attention given to communication and all people recognize that as change management.*

‘Isabella’ echoed similar sentiments when she said that:

*I think communication can be improved. I have said earlier that there are board, executive and leadership meetings but I am not sure to how well the outcomes of these meetings are communicated throughout the organisation ... So perhaps the only weakness that I see in this organisation in terms of change management would be overall communication and consultation. There are pockets of people who do change management very well but I’m not sure that it cascades right down to the bottom levels. People usually hear about the change after the event.*

Other responses from employees indicated that the levels of communication within SATC were appropriate but could be improved upon. To elaborate, ‘Anne’ believed that within the SATC, the different levels of communication should be open and transparent. To this end, she stated that:

*People like to be communicated to and whilst we do have an open communication policy in the Commission. Perhaps, if there is a major change development at the executive level, rather than waiting for a monthly staff briefing, the line managers can filter that down via a quick email ... Change needs to be communicated in a very open and transparent way so people do trust that change is a very good thing for their department or for their area and that management embrace that change. Only then will it filter down to all levels.*

In a similar vein, ‘Latte’ stated that communication with individual teams was quite good. However, in regard to the overall, bigger picture of communication:

*... I think there should be more frequent communication among all employees ... I think our organisation has a lot of upwards communication flow, from baseline employees, that is, from the bottom up to hierarchy. I think there are a few areas where the message doesn’t get heard and falls on deaf ears ... communication between the hierarchy and employees is, I find, a little bit on and off.*

Another employee, ‘Fred’, also pointed out that:

*I think we need to implement more change and change management processes to enhance the communication between unit to unit. In my unit, there is a very open style of communication but I think there needs to be much more work done to ensure that all units communicate with each other. There doesn’t seem to be open communication among all the units.*

The response from ‘Sol’ indicated possible suspicion that executive management distort the intent of information when they communicate to their staff members, or that some executive members have hidden agendas when they communicate specific information. She said:

*On the surface, communication is reasonable because the chief executive is perceived as making an effort to keep everybody informed of the things that are happening in the Commission ... but at times, a lot of scenarios are presented to us ... they are already a signed deal, a done deal. They are presented to us as a ‘please give us your comments’ but our comments don’t really matter. You can’t actually change anything because it’s too late so I suppose it is more of a one-way communication. They give us information so that they are hoping we’ll make the opinions they want us to make based on the information they provide. They don’t actively seek any feedback from us. I don’t believe they want feedback.*

Another important factor responsible for the partial breakdown of efficient communication within SATC was the issue of workspace. Presently, the divisions within SATC are spread over three different floors in a single building. At times, it is difficult to engage in effective communication because of the geographical structuring of the organisation. This disadvantage was observed by 'Pinarello' who stated that:

*One thing that restricts our communication on a personal level is the fact that we are spread out on three different floors. There's a gap in between so that clinical space means that you don't often come across people in certain sectors of certain floors unless you need to. So that does have an effect on communication in the organisation.*

With regard to communication in the SATC, 'Marilyn' commented that:

*I think sometimes communication fails. There may be a restructure somewhere in the organisation and this is actually not communicated very strongly by management. I think that every employee should be told why things are happening so I think it is important to make sure that things are communicated well to everybody in the organisation. This is more difficult in the SATC because of the way the different divisions are located within various floor levels.*

Managerial effectiveness was another area of concern affecting some employees within the SATC. Employees' perceptions regarding this theme are considered next.

#### **5.3.3.5 Theme 5: Managerial effectiveness**

Some employees interviewed stated that they were satisfied with the level of managerial effectiveness as most managers portrayed good managerial skills. The following views were echoed by employees:

*I have an excellent manager and I am definitely coached through what I do. My manager is fantastic and I can't praise high enough there. I definitely get a lot of support from my manager and we get on very well. (Marilyn)*

*I have lots of confidence in our current CEO and in my current management ... He always encourages me. (Sandra)*

*I think our managers are effective. They have a voice, they are our voice boxes. The other units, the other departments, their managers have a firm background in management. (Ted)*

*I think there's been a positive change in managerial effectiveness. Things are finally getting done around here. (Sarah)*

*I think it's made a positive contribution. (Fred)*

*I think we have a good management team ... I think they are busy, incredibly busy people but I think the managerial team is a good one. We haven't had any problems with managers. They have an open door policy. (Lisa)*

However, other employees voiced dissatisfaction with the level of managerial effectiveness.

A 'snapshot' of this view was portrayed in their comments below:

*How has change impacted on managerial effectiveness? I don't know that it has honestly had a huge impact on managerial effectiveness. (Claire)*

*Through my direct experience with my manager, I won't say there has been a significant decrease or increase [in managerial effectiveness]. One of the qualities of a manager is to be able to adapt to change. I haven't witnessed any significant differences in effectiveness. (Jeff)*

*To be honest, I think it's crap. I'd say it is very poor because there has been too many staff changes over the years. (Max)*

*It varies. Certain changes will actually make an improvement and then things will change again and we will have to take a bit of a step back. (Mike)*

Thus, whilst a greater percentage of employees interviewed supported the level of managerial effectiveness within the SATC, a small percentage was critical of the level of effectiveness displayed.

The theme, 'Change and change management – a top-down driven policy' is discussed next.

#### **5.3.3.6 Theme 6: Change and change management: A top-down driven policy**

With regard to change and change management perceived as a top-down driven policy, some interviewees stated that they had little opportunity to contribute their professional expertise to change processes and practices that were regulated from above through 'accountability' regimes. Other interviewees perceived change as driven, dictated top-down by bureaucrats concerned more with imposing policy agendas through performance indicators, than having a



genuine concern for employee welfare. This view is evident in their comments illustrated below.

‘Sandra’ made the point that change should be a process that:

*Empowers you, instils a sense of trust in the policy makers, where your opinion is valued even if it isn’t acted upon, where you can have professional development, feel that you are part of the team, feel that you have some role in the decision*

*making process ... one where there is less bureaucracy ... you need very clear democratic policies and procedures. However, this does not happen as often as I would like in this organisation.*

‘Max’ strongly believed that:

*Change processes and practices are basically processes whereby government officials use their power to control employees and other staff members.*

Other employees viewed the change management policy in a similar light. Comments echoed were:

*The actual change policy from the department is a top-down issue. (Ted)*

*I think sometimes all of these things [change and change management] are being imposed by managers for more control. (Bob)*

*What I understand is just what [change directives] is sent out by the Tourism Minister ... It’s just that the policy is what they tell you, is what you are supposed to be doing ... Policy comes from the top. (Sue)*

*Then there’s the stuff that comes from above ... I’m saying ... a lot of this comes down from the top. It’s definitely top-down. (Jill)*

Some employees also voiced their concerns with regard to some of the directives issued by government to the SATC. They believed that they have always been marginalised from ‘external’ policy-making decisions and argued for the centrality of employees in the change process. Madeline made the point that:

*We are a top-down driven organisation where the decisions are actually made at the top and the change is filtered through. As far as empowerment goes, we are always asked to contribute but decision-making is not up to us but senior level*

*management and probably you are not encouraged to make decisions other than senior management. Everything seems to go to senior executive.*

‘Sol’ strongly voiced similar concerns with regard to participation in the change process. She was of the view that little or no opportunities existed for employees to participate in the change process. She stated:

*No, not at all. We do not have a say in the change. No, because I think the direction of the change has already been decided upon at the time they let us know that it's going to happen. So perhaps from a minimalist point of view, we*

*have an input ... when they advise us of change, they put this up on a screen and say, 'Well, this is how we this is going to happen. If you got any comments, please make them' but really, it's probably too late. If they started perhaps getting selected people to discuss that prior, like a working party that led up to that, that would be perceived that we have more of a say.*

Leading on from this discussion, some employees felt justified in perceiving change policies as mandated, top-down policies. This point was explicitly expressed by ‘Max’ who stated with conviction:

*I really think that in the process of change, someone makes the decision either the Minister or the Board or even an executive member or a manager. At that point, it becomes a top-down policy and the process is taken out of everyone else's hands ... Macro level, there is no consultation. That's just taken as it is. At the micro level, well, limited.*

‘Fred’ expressed a similar view as that expressed by Max but somewhat differently:

*Well, I desire an environment that gives us the opportunity to communicate at all levels ... an environment that offers a bit more consultation in terms of what change is required in the industry even if it means communicating with the Minister herself. That is desirable ... I like a work environment that has a little bit less red tape ... one where we are not subject to political pressure, one perhaps where the politicians make time available to listen to our concerns ... talk to us.*

‘Fred’'s views implied the need to include employees in change-making processes. Furthermore, he elaborated on the point that policy makers had lost touch with the realistic world of public sector employment, that is, the current work environment they are experiencing. This view was also supported by ‘Sarah’ who maintained that:

*On my level, probably not a lot of opportunity in terms of consultation. I think a lot of that is done at the senior management or the top level rather than I guess,*

*by the normal sort of employees like myself. There are some occasions where we would be consulted. I won't say we are directly consulted but some change comes as a result of top-down. I guess it's very much top-down. It's not something we would be consulted in when the top is making decisions.*

## 5.4 Summary

In a fast changing world and complex work environment such as the South Australian Tourism Commission, the change and change management strategies followed by government sector organisations are vital to meet the needs of all stakeholders of the organisation. Change initiators should constantly strive toward creating acceptable change processes and practices to enhance employee participation and they should facilitate total involvement in order to provide a climate that would benefit change initiatives and build healthy working relationships with all concerned stakeholders. The employees are the most important of these stakeholders to consider, as they are the most precious assets of any organisation. The attitudes and loyalties of employees are directly influenced by their participation in change efforts and this has a direct influence on their involvement in the change processes.

From the findings presented in both the informal and formal components of this qualitative case study, it is obvious that the understandings of employees regarding change and change management processes and practices differ to varying degrees. Thus, it is important for the organisation to build positive relationships that will provide a strong basis to manage any crisis in change management processes and gear the organisation for any possible resistance scenarios.

In the next chapter, a discussion of the findings is presented.



## CHAPTER SIX: DISCUSSION OF FINDINGS

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### 6.1 Introduction

The aim of this chapter is to present a conclusive discussion, based on findings of the case study from the previous chapter. The discussions are related firstly to the data obtained during the informal interviews conducted with employees followed by discussions relating to the research questions and general objectives detailed in Chapter One. The findings in Chapter Five that are linked to current literature, as detailed in Chapters Two and Three, are theoretically expanded upon in this chapter to strengthen the discussions presented. This chapter also explains the relevance of the case study findings to current emergent literature. Where possible, the researcher has also linked some of the relevant findings from the informal interviews to the formal interviews.

### 6.2 Discussions from the Case Study Findings

Much of the literature on change and change management have portrayed some employees as having problems in change implementation. Some employees also perceive that change initiators are a contributing factor in change implementation processes. However, it must be stated at the outset that the employees interviewed in this case study were satisfied with the level of managerial effectiveness. The findings from the interviews, regarding this issue, may be contradictory in nature due to public sector bureaucracy and possible hesitancy to echo true opinions because of fear of reprisal. One of the principal proposals coming out of this case study advocates that a more inclusive manager-employee relationship pertaining to change and change management be considered and that employees should be viewed as proactive strategists and implementers in the change process.

As discussed in the literature review, change is a complex phenomenon, with many theorists and practitioners providing a variety of tools and techniques advocated as strategically capable of creating effective change. However, according to Beer and Nohria (2000), about 70 per cent of all change initiatives fail, suggesting that it might be time to broaden current strategic propositioning to include employees' views in order to enhance, or create, more effective change. Abrahamson (2000, p. 79) maintains that 'change has been with us forever,

and it always will be, but the idea of change itself is changing' - reflecting that the way in which it is practiced may also need to change.

The literature in chapters Two and Three indicated that employees over the years have been expected to make a greater contribution to the development and success of the organisation (Stum, 2001; Michlitsch, 2000). In contrast, Emery and Barker (2007) stated that the focus should be on how to achieve successful outcomes that have to date been represented minimally in organisational change literature. More so, Emery and Barker (2007) maintained that it has not been employees' 'understandings' that have been drawn upon, but instead a collective representation of management expectations of employees 'understandings' on how to obtain higher degrees of commitment and involvement from employees. Authors such as Kanter, Stein and Jick (1992); Burnes (1992); Senge (1990a; 1990b); Waddell (2005); and Cummings and Worley (2007) view organisational change from many different perspectives but, across all areas, their focus on the change strategists or initiators has been dominant.

In essence, this case study aimed at achieving a new level of understanding, by seeking employees' understandings of change and change management of which they were recipients. It also sought to reveal factors that influence the acceptance of change at the employee level by creating an environment where employees could freely express opinions about change within the SATC. Thus, the research task also entailed analysing SATC employees' views on current workplace processes and practices within the SATC, with a view of recommending a significant guide to implementing change in this particular government sector agency. In Chapter Seven, a four-step model/approach to change is presented by the researcher that could assist in the implementation of change in government sector organisations, more specifically, in the SATC.

From the findings obtained from both the informal and formal interviews, the views of employees with regard to change and change management are presented and it should not be viewed as a conclusive benchmark but a tentative discussion on the issue of change and change management within the SATC. It does not represent or advocate an implementation strategy in its own right, but addresses issues related to change and change management from the employee perspective. This is a crucial element of this chapter and provides relevant

discussions with, and response to, the research questions and general objectives. The discussion also represents the perceptions, assumptions and beliefs – the ‘reality’ of public sector employees within the SATC (Tichy, 1983). The discussion reflects the reality of change and change management constructed by these employees, as they relived their experiences and the symbolic meanings that emerged and contributed over time to their expectations (Woods, 1992).

Furthermore, the discussions are not intended to provide a step-by-step guide on how to improve upon the important processes associated with change and change management but they attempt to inform development of change theory and practice from the employees’ perspective. Stemming from Giddens’s (1984) argument that some things are generalisable because people just seem to know, the discussion is a representation of knowledge construction in relation to change and change management on the part of the employees interviewed. Thus, this chapter presents discussions on the employees’ viewpoints regarding workplace processes and practices within the SATC and an understanding of change and change management from their perspective of effective change modelling, which is worthy of further study and broader explanation.

### 6.3 Discussion of Findings: Informal Interviews

The modern public sector organisation incorporates a range of complex issues and continuous change for employees. This discussion focusses on the changing nature of work processes and practices and the impacts of these changes upon public sector employees. These include the manner in which society, the environment—economic and political—and technology have influenced change, the way employees undertake their role functions and how this has impacted and brought about a difference in working styles and preferences among employees. Hence, the discussions that follow cover the key areas surrounding the ‘changing work environment’ of the public sector employee in the context of the findings stemming from the informal interviews.

Without doubt, the nature and pace of change has had numerous effects on the nature of public sector employees’ work and when and how they perform their role functions in the organisation. Impacts such as the pace of change, globalisation, technology and changing

demographics shape the work environment (Galor and Moav, 2002). Lewis and Seltzer (1996, p. 43) stated that over the previous 20 years there had been a radical re-organisation of Australian business practices and the labour market and that the most significant causes of structural change are ‘technological change, microeconomic reform and internationalisation of product markets. As a result, these changes have influenced the demand for skills, changed the composition of employment and ‘increased the demands for a “flexible” labour force’. Tyson (1995) argued that the trends that have changed the nature of work in public sector organisations include average companies becoming smaller in size thus hiring fewer employees; the introduction of new organisational models of work that replaced traditional hierarchical organisational structures; the demise of the manufacturing worker; an increase in the number of technicians as the worker elite; a horizontal division of labour that replaced the traditional vertical division; business models focussed on services and away from manufacturing; and the redefinition of work with an emphasis on training and re-skilling. These trends have all impacted and shaped the current workplace in Australia. Thus, it is not surprising that terms like ‘self-organizing, self-managed, empowered, emergent, democratic, participative, people-centred, swarming, and peer-to-peer plus decentralization’ are often used in an organisation (Malone, 2004, p. 5). Whilst it is difficult to predict the future of change and change management in organisations, one thing remains certain: the increasing pace of change will continue to affect the workplace of the future.

It must be noted at this juncture that in the discussions pertaining to the above, the aim of the researcher was to give some order to the range of information provided by employees within the SATC in their responses to the informal questions. A difficulty experienced by the researcher was that without systematically measuring the effectiveness of the organisation, it was difficult to know where efforts for change improvements should be focussed. Also, without adopting a systematic approach, many organisations might be focussing attention on the wrong issues whilst being unaware of the gaps that could be addressed to achieve significant change improvements. These gaps can silently threaten the organisation’s change initiatives, if not its survival.

Thus, in the context of the primary research question, ‘How did employees within the SATC view processes and practices within the current work dynamics of their organisation?’, the following issues are discussed:



- communication effectiveness
- company image
- conflict management
- human resource effectiveness
- managerial effectiveness
- mentoring and coaching
- participation and teamwork
- role clarity
- innovation
- employee need satisfaction
- performance standards.

### 6.3.1 Communication effectiveness

To communicate with everyone in the organisation, the goals and objectives for a particular area of responsibility requires that information is presented in a consistent manner and in a variety of ways that are positive, informative, candid, supportive and timely. In addition, it also requires managers at every level within the SATC to be available to their staff, and ensure that no information is missed or misunderstandings occur.

Whilst most employees within the SATC were of the view that communication effectiveness provided adequate information and permitted satisfactory discussion on most occasions, others stated that communication effectiveness was also at times ineffective because information was not always passed on to those people that required it. There was an opportunity to increase staff efficiency and productivity by improving communication channels throughout the organisation and ensuring that all relevant parties were informed of new information, changes and developments. Group e-mails, regular meetings, message boards and memo systems may be deemed to be appropriate for this purpose. However, managers needed to make themselves available to communicate with their employees whenever it was required.

With regard to new modes of communication within the SATC, employees were of the opinion that communication in the organisation had also changed due to the advent of new

technology. They concurred that they had multiple modes of communication tools at their disposal to achieve work related objectives warranted by the organisation. Employees cited the following modes of communication that were available to them:

- mobile phones
- Short Message Service (SMS)
- Multimedia Messaging Service (MMS)
- Enhanced Messaging Service (EMS)
- e-mail
- facsimile
- video conferencing
- speakerphone
- web camera
- instant messaging (IM).
- blog
- Voice Over Internet Protocol (VoIP).
- intranet
- traditional mail
- telephone
- face-to-face communication.

However, whilst acknowledging these new modes of communication, employees stated that these could only be used effectively within the organisation if all employees received proper training on the use of the modes of communication. According to Peterson (2005, p. 146), if public sector employees are to capitalise on these new modes of communication, then there needs to be a 'fundamental shift in mind-set' among these employees which can only be achieved if employees are made aware of the need to 'remain competitive in the "communications" revolution'. Also, these new communication mediums need to be designed to suit the change being implemented in the organisation and should be embedded into the change process from the start. This view was also echoed by employees who stated that these new modes of communication needed to converge across the whole of the organisation and should not be viewed as just voice and data, but as a communication tool built into the change process.

Another view to emanate was the need for professional personnel in Information Technology to conduct meaningful training and development workshops within all units in the organisation on a regular basis. Employees saw the need for this because of the numerous issues associated with the modes of electronic communication now available. For example, the use of emails within the organisation was deemed to be a popular means of communication. They conceded that a lack of writing skills could result in miscommunication within the organisation. To this end, Popcorn and Hanft (2001, p. 310) stated that:

... [organisations] are finding that employees who lack the proper writing skills are creating problems by sending harsh, insensitively worded email and instant messaging. Thus, [training and development] ... learn to communicate effectively given the compressed, immediate and risky nature of email.

However, it must be stressed that employees stated that the levels of communication across all parts of the organisation were satisfactory in nature, with most employees expressing the opinion that proper etiquette was adhered to during communication processes. Also, these newer modes of communication could be beneficial in fostering greater co-operation between the functional and operational areas within the organisation.

### 6.3.2 Company image

For employees, company image is a significant factor in building a loyal customer base, raising community approval of the organisation, and being recognised as an 'employer of first choice' by both existing employees and potential recruits. Employees in the organisation can have a significant impact on how the organisation is perceived and can help build and maintain the organisation's image (Helm, Liehr-Gobbers and Storck, 2011).

Overall, employees stated that the SATC company image was unlikely to cause difficulties in dealings with customers, staff or the broader community. Employees were positive about the organisation having a reputation for highly professional management. Some stated that the SATC was making a worthwhile contribution to the community and employees indicated that other organisations saw the SATC as a good organisation to do business with.

Employees also mentioned that that globalization was having an effect on the manner in which the SATC was being perceived by both national and international tourism industries.

To explain, Slaughter and Swagel (2000, p. 175) stated that globalisation, from a business and economic perspective, is seen as ‘the international integration of goods, technology, labor, and capital’. This, in turn, impacted on public sector organisations like the SATC because ‘foreign trade and cross-border movement of technology, labor and capital have been massive and irresistible’ (Slaughter and Swagel, 2000, p. 175). What we currently have is the manner in which public sector employees now have to perform their roles in the organisation in order to foster the organisation’s image. It is not uncommon for organisations like the SATC to recruit more ‘independent specialists’ and to ‘turn to consultants and contractors who specialize more and more narrowly as markets globalize and technologies differentiate’ (Cetron and Davies, 2005a, p. 42). This in turn has a direct bearing on the manner in which the organisation is ‘perceived’ by the public.

### 6.3.3 Conflict management

In any organisation, conflict amongst employees occurs when two or more values, perspectives and/or opinions are contradictory in nature. This can occur when the employee is not performing his or her role function according to individual values, when individual values and perspectives are threatened, or the employee experiences discomfort from fear of the unknown or from a lack of job fulfilment. According to McNamara (2010, p. 1), conflict is inevitable in any organisation, and at times is good because employees go through a ‘form, storm, norm and perform’ period.

The positive and negative aspects of conflict are represented in Table 6.1.

### Positive and negative aspects of conflict

Positive aspects of conflict	Negative aspects of conflict
<ol style="list-style-type: none"> <li>1. Conflict serves to help raise and address problems faced by employees.</li> <li>2. Conflict focuses on the most appropriate issues warranting attention.</li> <li>3. Conflict aids employees to 'be real', that is, it motivates employees to participate.</li> <li>4. Conflict assists employees learn how to recognise and benefit from their differences.</li> <li>5. Conflict in an organisation can be a major source of creativity and initiative.</li> </ol>	<ol style="list-style-type: none"> <li>1. Conflict can become a problem when it hampers productivity, lowers employee morale, causes more and continued conflicts and inappropriate behaviours on the part of employees.</li> <li>2. Conflict in an organisation can be a destructive force preventing people from realising their full potential.</li> </ol>

Table 6.1 Positive and Negative of Conflict

Source: Adapted from McNamara (2010)

According to employees within the SATC, the following types of managerial actions that can cause workplace conflicts include:

- Poor communication whereby employees experience continuing surprises, employees are not informed of new decisions or programs.
- Employees do not understand reasons for decisions made or are not involved in decision-making processes;
- Employees trusting the 'rumor mill' more than management.
- Insufficient amount of resources resulting in disagreement about 'who does what' and stress from working with inadequate resources.
- 'Personal employee chemistry', including conflicting values or actions among managers and employees; and leadership problems, including inconsistent, missing, too-strong or uninformed leadership (at any level in the organisation), evidenced by avoiding conflict, 'passing the buck' with little follow-through on decisions, the presence of continued issues in the organisation and managers not understanding the job of their subordinates (McNamara, 2010, p. 2).

Furthermore, employees stated that conflict management caused dissatisfaction and frustration more often than was desirable, leading to inadequate overall performance on

various occasions. Also, employees felt less positive about the organisation responses to conflict when it could be used in a productive manner, and in the focus being on working out solutions rather than winning the argument. Employees were of the opinion that the issue of conflict management could be minimised within the SATC if managers engaged in the following:

- regularly reviewing job descriptions and ensuring that job roles did not conflict
- intentionally building relationships with all subordinates
- meeting with employees on a regular basis to clarify concerns and issues
- getting regular, written status reports from employees that included accomplishments, current issues and needs and plans for future initiatives within the organisation
- conducting basic training to include interpersonal communication, conflict management and delegation of roles and responsibilities
- developing procedures for routine tasks that included employee input
- regularly holding management meetings, for example, every month, to communicate new initiatives and status of current programs
- considering an anonymous suggestion box in which employees can provide suggestions.

#### 6.3.4 Human resource effectiveness

Human resource effectiveness is dependent on the policies and processes which determine how employees in an organisation are led, managed and developed. These will either contribute to or detract from employees' willingness and capacity to make commitments and significant contributions.

Within the SATC, employees stated that the Human Resource Department was meeting the needs and requirements of both the organisation and the individual less often than was desirable. However, whilst this was the case, management had identified and satisfied particular training and development needs. More importantly, some employees stated that the Human Resource Department needed improvement and indicated that the Performance Development program was not done well.

Employees also elaborated on the pace of change in the SATC and the important role the Human Resources (HR) department could play in this regard. Employees acknowledged that change has been occurring at a rapid and continual pace in their organisation and that there were many factors driving the pace of change throughout workplaces and organisations globally. Savall (1981, p. i) stated that 'the purpose and meaning of work in the post-industrial society will be determined through a complex and subtle interplay of human, technology, and economic factors'. It is this inter-play of human, technology and economic factors that drives the pace of change. Each subtle inter-play is becoming more complex, becoming more volatile, more efficient, with expectations increasing and technological developments surpassing what most people could never imagine.

Tyson (1995, pp. 1, 4) examined the factors driving change in the area of human resource (HR) management and believed that it stemmed from changes

... to jobs, organisations, employees' values and commitment. Demographic shifts, the globalisation of business and capital investment, and new forms of organisation' are also influencing change. Some organisations are forced to change radically due to external forces such as an increase in global capital, the increase in and mobility of the global labour market, the flattening of traditional organisational structures, the increase in the service and knowledge based economy and the disappearance of the notion of 'jobs for life'.

For Burgess and Connell (2006), the pace of change is evident in the culture and environment of the organisation. These writers maintain that to harness the effectiveness of change, all HR departments need to be aware of what is impacting on the culture of the organisation and also the changing nature of the organisation. In other words, attention should be paid to:

- an increase in the number of female employees in many organisations
- the high rates of underemployment
- a more highly educated workforce
- the increase in casual employment
- growth in the service sector
- a higher proportion of employment in Australia's capital cities
- more jobs that are characterised by either too few hours or very long hours
- more people holding more than one job, and

- a growth in home-based employment.

Within the SATC, the maintenance of a flexible workforce is always given priority. Given the function of the organisation in South Australia, the HR department, according to employees, has implemented some training and development programs designed to retrain and promote life-long learning. In addition, employees' needs with regard to the issue of 'work flexibility' were considered at all times. Thus, in essence, employees conceded that the HR department of the SATC did take into consideration some of the issues mentioned by Burgess and Connell (2006) previously.

Another issue mentioned by (Ridderstrale and Nordstrom, 2000) is associated with the need for a flexible workforce. There is a rise in job turnover and employee mobility and an increase in the number of people willing to change careers multiple times. The presence of provisions for long service leave in an organisation is declining, assisted by the attitude that people should get a life instead of a career and that work is a series of projects and flexible contracts. Thus, the growing issue for HR departments with people undertaking a series of different projects and flexible contracts across multiple organisations is its inability to retain tacit knowledge and maintain or gain a competitive advantage through this. It is for this reason that Cetron and Davies (2005b, p. 29) suggested that HR departments in public sector organisations consider that 'knowledge turnover in the professions is a growing challenge that will require continuous retraining and lifelong learning'. Now, not only is there the issue of retaining tacit knowledge but from an employee and organisational perspective, there is also the need for continual training and for employees to engage with the concept of life-long learning within the SATC.

Another factor that can be included to the phenomenon of change and change management within public sector organisations is the increase in regulations and compliance in which HR personnel have to cope with on a daily basis. Cetron and Davies (2005a, p. 49) state that

Government regulation will continue to take up a growing proportion of the manager's time and effort ... regulations are both necessary and unavoidable, and often beneficial. Yet it is difficult not to see them as a kind of friction that slows both current business and future economic growth.



This issue was also highlighted by some of the employees who observed that there was a high level of turnover in the SATC owing to the increasing pace of change being implemented in the organisation. However, other employees indicated that whilst the increasing pace of change did have a bearing on the manner in which the organisation now functioned, they would not consider leaving. They indicated that they felt secure in their job and in the organisation because of the positive role that the HR department was performing.

#### 6.3.5 Managerial effectiveness

Employees stated that managers needed well thought out and documented plans, budgets, control systems and reports, which focus on areas like variance (gap) analysis, performance appraisals, and clear measurable objectives, so they can put their time and effort into determining trends and concentrating on activities that yield maximum benefit for the organisation. However, whilst employees believed that managerial effectiveness was adequate some of the time, it was unlikely to be consistent or sustained over the longer term. Also, employees wanted regular appraisal of their performance against objectives, receiving business information on time, and employees generally committing to action plans. Employees stated that managerial effectiveness could be improved in relation to group objectives, staff development, review of objectives and staff appraisal.

Without doubt, managerial effectiveness will catalyse the need to accelerate public sector reforms in public sector organisations but the challenge for managers will be their ability to adapt a model/models to the different economic, social, political and cultural context of the public sector organisation in question. Employee viewpoints on managerial effectiveness and the implementation of change and change management within the SATC reflect that the following are crucial for the successful implementation of change and change management:

- Managerial support must be extended over a period of time in order to give the proposed change credibility, create acceptance of the change and announce when the change will be introduced.
- Management must clearly define the change and explain the strategy for achieving the change.
- Management must ensure that there is effective communication between all employees and management on the objectives of the proposed change.

- Managers must be responsible for the implementation of the change.
- Managers must have sufficient authority to put the change into effect.
- Managers have the intellectual and tactical capacity required for the effective execution of the different stages of the change.

All employees must be involved in the identification of issues to be addressed regarding the change.

Management must ensure feedback, monitoring and evaluation processes regarding the change (adapted from Corkery, 1998).

### 6.3.6 Mentoring and coaching

Organisations that provide a formal system of mentoring and coaching ensure that their employees have the best opportunity to perform, grow and develop. Managers and executives can be provided with the necessary training and tools to undertake this role.

Employees stated that mentoring and coaching was not a strong feature of the SATC with managers requiring more training and/or support in their role as coaches/mentors to be able to better equip staff to fulfil their work responsibilities. Furthermore, employees stated that mentoring and coaching was marginal and improvements could be made to the frequency of support offered and the quality of mentoring/coaching provided. It was for this reason that employees were of the opinion that the SATC should offer them more training and further developing of their skills instead of being able to offer a job-for-life. They believed that employees need to be continually trained to handle the situation of not having a job-for-life because the employment contract is now one that allows an employee to be developed as a person, not just on the skills they require for a particular task. They also acknowledged that the skills required of them currently have changed and emphasised the need to adapt to new ways of performing their roles in the organisation. This view is echoed by Ridderstrale and Nordstrom (2000, p. 34) who stated that ‘thirty years ago, we had to learn one new skill per year. Now, it is one new skill per day. Tomorrow it may be one new skill per hour’ ... inevitably, new roles demand new skills’.

It must be noted that, traditionally, training and development in organisations like the SATC

involved providing the knowledge and the teaching of skills necessary to perform a job well. This is in contrast to employee development which should focus and prepare an employee for jobs in the future (Kennedy, 2004). Some employees admitted that they found the training and development provided by the SATC beneficial with regard to fulfilling their role functions, while others stated that they found it difficult to learn new skills. According to Ryder (1965, p. 857), 'the difficulties of learning new skills are more formidable for one who has acquired and utilized traditional work practices'. This implies that the SATC should consider that the training and development programs be different to cater for the differing needs of employees. For example, mature workers may need different programs in comparison to the training programs provided for younger less experienced employees.

### 6.3.7 Participation and teamwork

The European Foundation for the Improvement of Living and Working Conditions (2007, p. 1) maintains that it is difficult to arrive at a single definition of teamwork because work organisations using teamwork can refer to a wide range of possibilities, such as quality circles, cross-functional teams, self-managing teams or virtual teams. Also, many employers provide teamwork with varying degrees of autonomy. Thus, the form of teamwork depends on task specificity. However, Hacker (1998) wrote that a distinctive feature of teamwork at the assembly line is successive work actions to assemble different parts of a product. On the other hand, where the goal is to improve the production process, group teamwork is much more about complexity, communication and integrative work (O'Leary-Kelly, Martocchio and Frink, 1994).

For the purposes of this discussion, teamwork encompasses the following definitions, namely a team refers to a group of employees who have at least some collective tasks and where the team members are authorised to regulate mutually the execution of these collective tasks (Delarue, Stijn and Van Hootehem, 2003). Group work refers to 'the common tasks requiring interdependent work and successive or integrative action' (Hacker, 1998, p. 67). According to Gulowsen (1972), teamwork helps to improve both company performance and also to boost employees' well-being. If the conditions of autonomous decision-making are in place, with the corresponding powers and responsibilities for assigned tasks, teamwork enhances employees' interest and motivation, not just in the context of the employee's work task but

also in the context of the corporate strategy as a whole. It is for this reason that Moldaschl and Weber (1998) stated that the key to increased company productivity should be increased employee satisfaction. Hayes (2005) is of the opinion that teamwork reduces fluctuations in performance and improves work morale. Also, he maintains that employees working in a team function more efficiently, are less prone to stress and make a greater effort in their work. Furthermore, they spend less time incapacitated for work, come up with new ideas and try to improve their work. In a similar context, organisations that foster a spirit of participation and teamwork create an environment in which diverse views and opinions can be accommodated and blended to engender a sense of unity. In other words, none of us is as smart as all of us.

In the context of this discussion, employees within the SATC voiced their opinions on the effectiveness of teamwork and its impact on the quality of their working life. Not all employees always welcomed the introduction of teamwork. For some employees, belonging to and working effectively in a team environment was beneficial for career development for those managers who successfully applied the principles of teamwork were more likely to be promoted. Other employees also adopted an even more negative view, complaining that teamwork was only introduced for effect, as a result of the organisation's prioritising the claims of government initiatives over the interests of employees or as a way of reducing the number of workers in the organisation. However, on the other hand, some employees stated that productivity improved in the organisation when work was completed in groups. However, on the other hand, some employees stated that productivity improved in the organisation when work was completed in groups.

Employees also expressed the view that participation and teamwork was of a poor standard, with minimal involvement of people/departments who could contribute to an overall better quality result. Other employees stressed the need for greater opportunity in group problem solving when problems involved more than one area of operation and all relevant points of view to be considered before decisions were made. Some employees stated that participation/teamwork was poor and needed improvement in the following areas:

- consideration of employees' viewpoints
- working as team players

- Better integration among the groups and/or units, and
- Instilling a sense of common purpose

#### 6.3.8 Role clarity

Katz and Kahn (1966, p. 174) stated that 'role clarity' plays a very important part in the organisation. Accordingly, they define 'role' as 'the recurring actions of an [employee], appropriately interrelated with the repetitive activities of others so as to yield a predictable outcome'. Role is proposed as the major means for linking the employee with the organisation. Other writers like Kahn, Wolfe, Quinn, Snoek and Rosenthal (1964) also stressed the significance of role as a conceptual link between the organization and the employee. For Kahn et al. (1964), role clarity is the degree to which required knowledge about a job is available to an employee in a given organisational position. The more clearly this knowledge is communicated, the more certain an employee will be with respect to role requirements and his/her place in the organisation. If the required information is lacking, the employee will experience role ambiguity. Role ambiguity can be viewed as one point on a continuum between absolute certainty at one end and absolute uncertainty at the other end. Thus, an employees' particular place on the continuum is dependent upon his/her needs, values and specific perceptions of role behaviour on the job. Also, role clarity requires knowing who does what (solo or shared), where and when, how much and how often. Roles need to be clearly defined, and people need to have the appropriate responsibility and authority to make decisions, solve problems and take action (Gibson, 2003).

However, it must be stated that it is very difficult for employees to maintain an adequate understanding of their organisational roles during periods of change (Kahn et al., 1964). The inability of employees to obtain the necessary information to carry out their jobs properly in conditions of rapid change affects emotional reactions, and uncertainty about one's proper role may increase feelings of tension, anxiety and fear.

With regard to the issue of role clarity, employees stated that role clarity was of an adequate standard, with most employees having a reasonable grasp of what was expected of them, and where their role fitted in the organisation. Others stated that role clarity was satisfactory with most employees accepting their responsibilities, having a sense of independence in their

roles, being clear about their duties and responsibilities and having sufficient authority to do their job.

#### 6.3.9 Innovation

Innovation can take place in products, systems or processes, and entails regular generation of new ideas and concepts by all areas of the organisation. Whether these ideas come from within the organisation or from some external source is of less importance than how they are encouraged, tested, evaluated or adopted. Creativity is encouraged so that people feel free to submit suggestions for change or improvement.

Employees stated that regarding innovation, there was a reasonable level of new ideas and approaches. This was often without much encouragement or resource allocation. Also, employees stated that innovation could be improved. Some employees did agree, however, that the organisation encouraged creative thinking and innovation with some employees indicating that they were encouraged to submit ideas for change.

In addition, employees were aware of the fact that globalisation has also resulted in innovative change in the workplace. As a result, the way in which the public sector employee works has changed. This view is stressed by Cetron and Davies (2005b, p. 37) who maintained that the impact of [innovative] advancements will have far reaching consequences and will ‘ ... continue to play a major role in shaping the way [public sector employees] work and manage [their organisation]’. What public sector employees had experienced was a work environment characterised by ‘laptops and cell phones ... email and the Internet’ (Patel 2005, p. 26). In addition, Popcorn and Hanft (2001, p. 323) emphasised the impact of innovation and new technology on the lives of employees by stating that in the new future, ‘by predicting that just as we now have environmental impact studies into all types of areas of work and life, in the coming years there will be a growing discipline of “Technology Impact Studies”’. They elaborate on this notion by explaining that Technology Impact Studies ‘will study the impact of technology on our lives, culture, psychological patterns and behaviours, as well as the impact on the family, the economy, productivity and innovation’ (Popcorn and Hanft, 2001, p. 323).

What are the implications of these advances in innovative work practices for public sector employees? Advances in innovation have led to a review of many current work norms. Whilst there has been a creation of new occupations, there has also been a decline in the number of people employed in some organisations because the nature of work has changed. For some employees, this notion of ‘technology replacement’ has also meant a disappearance of career progression and will continue to do so in the future, with many people being unable to secure full-time employment (Tyson, 1995).

It can be argued that the acceptance of new technology and innovation would be difficult for some public sector employees to adopt because the pace of change has increased the need for them to re-train and reskill themselves on a continual basis. According to Ryder (1965), for older workers new technology and innovation implemented in the organisation raises fear of job losses and redundancies and that it is to be expected that the older employees will resist innovation. It must also be remembered that the structural changes that have occurred in the organisation born from technological innovation have changed many aspects of how, where and who conducts work. This was described by Ridderstrale and Nordstrom (2000, p. 45) who stated: ‘We no longer have a workplace; we have a workspace’.

Employees echoed the view that the SATC was committed to providing high quality professional development to build the professional capabilities of its employees throughout each phase of their career, more-so in the area of Information Technology. Quality professional development programs that addressed their individual needs and aspirations, as well as team, work unit and state-wide priorities through alignment with professional capability frameworks implemented by well-trained staff both internally and externally.

The SATC also recognised that there was no ‘one size fits all’ as far as quality professional development was concerned. Traditionally professional development was associated with events associated with tourism, for example, conferences, workshops, seminars and courses. While these provided valuable opportunities to network with colleagues and to learn from experts in a given field, internal research within the SATC also showed that professional development which led to improved performance in the use of technology would be best undertaken in the workplace, that is, working in teams with colleagues and focusing on work

related issues and challenges. Employees were encouraged to take advantage of the range of opportunities for professional development and to work with colleagues to translate new knowledge and skills into more effective practices in the organisation.

#### 6.3.10 Employees' needs satisfaction

People go where they are wanted and stay where they are appreciated and their needs are met. Meeting those needs includes providing satisfying work, making available opportunities for personal growth and development, giving positive feedback and providing a safe, secure work environment.

Overall, employees interviewed stated they need satisfaction was being well met, with most employees being motivated to produce good quality work with consistent productivity standards being maintained over the longer term.

Employees also reiterated the point that it was important that managers understood what makes employees 'tick' in the organisation (Kable, 1988). Having understood this, managers must then strive to 'to set up the conditions that will assist, and not hinder, that [employee's] performance' (Kable, 1988, p. 56). Lending support to this view, Moodie (2004, p. 31) stated that the modern day public servant is seeking an employment contract that will promote 'flexibility in their working life, ... offering a range of benefits from travel, subsidised education, career breaks and sabbaticals'. Some employees echoed similar viewpoints when discussing the issue of job satisfaction at the SATC.

Employees also emphasised the important role that leadership had to play in promoting job satisfaction. For employees, positive engagement in the SATC involved 'emotional and rational factors relating to work and the overall work experience. The emotional factors tie to employee's personal satisfaction and the sense of inspiration and affirmation they get from their work and from being part of their organisation' (Towers Perrin, 2003, p. 4). It was for this reason that some employees voiced the opinion that managers should ensure that the objectives set for each employee/group/unit within the SATC were clear and measurable. Furthermore, it was stated that management should set realistic work objectives for all employees so that employees would feel positive about the value of performance processes.



Some employees also raised the issue of salaries for public servants in South Australia. The argument presented here was that whilst ‘money’ was important to employee satisfaction, money could never compensate an employee if they were undertaking work that they were not passionate about. Employees who raised this issue stated that they were passionate about their ‘work’ in the SATC and that this passion was evident in the high levels of productivity, low absenteeism and high performance. Research into job satisfaction has found that productivity is positively correlated with employee job satisfaction (Patterson, West, Lawthorn and Nickell, 1997) and it is negatively correlated with employee absenteeism (Clegg 1983). According to Towers Perrin (2003, p. 7), some public sector employees are generally attracted to this sector by ‘... a sense of mission and passion, rather than from any prospect of higher pay or wealth accumulation,’ implying that job security and money are not important as motivators as they once were. Cetron and Davies (2005b, p. 45) suggested that currently, ‘social mobility is high and [employees] are seeking job fulfilment’ whereby they want to feel a sense of accomplishment from the work they undertake. Thus, it is important for management ‘... to work out ways to retain [employees] ... to get [employees] to work longer on terms that suit the [organisation] and themselves’ (Moodie, 2004, p. 32).

#### 6.3.11 Performance standards

Performance standards cover both personal and organisational performance. Within the SATC, appraisal of performance is regular, measured and structured, to ensure that both the employee and the organisation can learn and grow. Emphasis is placed on individual recognition, encouragement, learning from mistakes and continuous improvement.

SATC employees stated that performance standards were usually available and understood, but were not used as effectively as they could be to critique performance in order to improve both individual and organisation performance. Some employees felt that there should be acknowledgement of one another’s skills and achievements and desired regular assessments with timely feedback. In this way, the SATC would attract new employees and retain current employees. Currently, the SATC is characterised by generational diversity. As a result, management is finding it more difficult to attract, recruit and retain staff. In order to attract and retain staff within the SATC, some employees expressed the view that they wanted their work needs met by the SATC, for example, achieving work outcomes, earning a good salary,

job satisfaction, social connection, work/life balance, ongoing skills development, lifelong learning and values which match their own. It is for this reason that it is imperative that management meet the challenge of attracting, recruiting and retaining employees by understanding and meeting their needs and motivating them by rewarding and recognising their achievements. An employee stated that a collaborative approach across the whole of the South Australian government—across all public sector units— would be the first step in addressing this challenge. Failure by the South Australian government to acknowledge the current culture in the public sector and begin to support a cultural shift would result in a high turnover of public sector employees.

In addition, some employees stated that the SATC should offer challenging work; value and support their contributions; and also provide opportunities for career development. The latter could include a career service pathway with job mobility with the various different public sector organisations in South Australia. They also wanted the SATC to change its performance management and pay increment policy to meet their desire for recognition of good work. More importantly, some employees expressed the need for managers who had a vision for the future and recommended changes to management training to improve the skills of some current managers and to prepare the next generation of leaders for the challenge ahead with regard to change and change management.

Some employees stated that mentoring was not readily available across all units within the SATC. They stressed that mentoring was be an important mechanism for value sharing and knowledge transfer. They believed that a government-wide mentoring program could assist in career mobility and development, thus supporting the public sector's key competitive advantage over the private sector.

#### 6.3.12 Concluding remarks

The findings from the informal interviews revealed that that there was a difference and a change in the working styles and preferences of employees within the SATC. To elaborate, employees stressed that strong leadership is required for the management of effective organisational cultures and management styles need to be examined and realigned with the needs and demands of employees. Also, management needed to draw together the external

factors and the internal happenings of the work environment in order to encourage a greater understanding of the nature of the work environment on the part of employees. However, it must be stressed that as change continues and organisations react to the changing environment, employees must also see the need to evolve and change with their surrounds.

## 6.4 Discussion of Findings: Formal Interviews

In Chapter One, the primary and secondary research questions were outlined. To reiterate, primarily this case study was concerned with ascertaining SATC employees understanding of change and change management. In order to determine this, the researcher conducted formal interviews with employees who volunteered to participate in this case study. Interview questions were designed to obtain employees' views in relation to the following issues:

1. Employees' understanding of the definitions of change and change management.
2. Employees' experience of change and change management within the SATC.
3. An understandings of the term 'resistance to change' and the reasons as to whether employees resisted change initiatives in the SATC or not.
4. The role of 'communication' in the introduction and implementation of change and change management within the SATC.
5. The role of 'managers' in the change process within the SATC.

A 'bureaucratic' or 'non-bureaucratic' approach to change and change management within the SATC.

It must be stressed that unlike the questions designed for the formal interviews, the questions posed during the informal conversations were open-ended and did not follow a structure *per se*. They did not involve predetermined questions, as the researcher did not know in advance what was going to happen or what would be the most important issues to explore. Thus, in the context of informal conversational interviews, the questions arose from the immediate context in the conversations occurred.

With specific reference to the formal interviews, an analysis of the data collected during the formal interview processes, as presented in Chapter Five, revealed the following themes:

- Theme 1: An understanding of change and change management processes and practices.

- Theme 2: Employees' experiences of change and change management.
- Theme 3: Resistance to change.
- Theme 4: Communication.
- Theme 5: Managerial effectiveness.
- Theme 6: Change and change management: A top-down driven policy.

#### 6.4.1 Theme 1: An understanding of change and change management

It has been noted in the literature review that even the most successful companies have to face the necessity of change (Kotter, 1996). The ability to shift direction and to improve the functioning of an organisation is now regarded as one of the key requirements of a contemporary organisation. This important consideration has also been endorsed by public sector organisations and they have become much more sensitive to any occurrence of change that takes place in their environment. However, it must be stated that introducing change into the public sector is highly controversial and complex as it affects, directly or indirectly, the interests and way of living of members of society. Public and private organisations cannot avoid changing if they are to survive in a more globalised, highly interdependent and fast changing world. Therefore, to be able to respond to a changing environment, the public sector has to transform its structures, processes, procedures, and above all, its culture (Melchor, 2008).

Beer and Nohria (2000) maintained that while there have been various factors that force organisations to change, developments in technology, and the diminishing role of governments in private business and globalisation are some of the main factors that necessitate organisations to revise the way they function. Furthermore, the dynamic manner in which some public sector organisations operate has an influence on customers' preferences with regard to products and services. In light of these new demands, these organisations must be able to respond to shifting demands by remaining flexible so that new change strategies can be implemented successfully.

Within the context of this discussion, the aim is to ascertain the degree of understanding that

public sector employees have regarding change and change management in their work environment. Thus, when it comes to change, a number of important questions arise: What is change management? Why do things have to change? What do employees believe, constitutes good change management strategies? Also, are employees aware of the forces that drive change, namely: technological; international economic integration; maturation of markets in developed countries; and new market economies? Are employees aware that these factors have all lead to an increase in globalisation of markets and competition which in turn has led greater competition among organisations resulting in increased speed of change? (Kotter, 1996). These questions are important in that they all have a direct bearing on the organisational effectiveness of the organisation. Responses to them allow the organisation to give a reactive or proactive response to the changes that happen internally or externally. This in turn, will help the organisation function more effectively and stabilise its processes.

In the change literature, many perspectives are available regarding the best or most effective organisational change strategy to be implemented by organisations. The particular strategy chosen will depend on the type and nature of the organisation. Buchanan, Claydon and Doyle (1999) noted that these strategies are primarily prescriptive and repetitive in their advice, stating that change initiators should clarify goals, engage in a process of systematic planning and provide broad consultation and effective communications to all stakeholders in order to achieve effective organisational change. Accordingly, this prescriptive approach has predominantly resulted in many change initiators experiencing difficulty in translating 'simplified textbook recipes' into practice by attempting to translate such advice into specific and complex contexts (Buchanan, Claydon and Doyle, 1999). Instead cognisance should be taken of the fact that:

... change involves the crystallisation of new possibilities (new policies, new behaviours, new patterns, new methodologies, new products or new market ideas) based on the reconceptualized patterns in the institution. The architecture of change involves the design and construction of new patterns, or the reconceptualization of old ones, to make new, and hopefully more productive actions possible. (Kanter, 1982, p. 279)

According to Semler (2000, p. 52), employees in the future may have greater difficulty in understanding change and change management because the new economy will result in the

growth of the organisation that will 'transform itself continuously and organically'. This transformation will occur 'without formulating complicated mission statements and strategies, announcing a bunch of top-down directives, or bringing in an army of change management consultants' (Semler, 2000, p. 52).

Thus, an understanding of change and change management in the context of this discussion was sought as a means of ascertaining employees' understanding of organisational change as a whole, not simply as a consequence of changes to production and servicing techniques. Furthermore, from the literature review on change and change management, it was evident that all stakeholders in the organisation would not necessarily accept the change program to be implemented for reasons be-known to them. Therefore, evidence was sought to identify whether employees understood change and change management practices. It must be stressed that from the data collected during the interviews, no direct links could be identified to support a 'textbook recipe' approach which was aligned with theoretical change strategists such as Kotter's (1996) eight steps, Kanter, Stein and Jick's (1992) ten steps or Lewin's (1958) three-step model as outlined in the literature review. However, some discussion relating to creating an understanding of the need for new practices, (Kotter, 1997), visions, communication and empowerment through training and information were identified.

For Caiden (1991, p.131), the purpose of change and change management is 'intended to shake up inert bureaucracies, to battle vested interests, to tackle systematic shortcomings and failures, and to alter some aspects of the prevailing administrative culture'. While some employees interviewed were in partial agreement with Caiden's (1991) viewpoint, others were uncertain about the underlying managerialist principles governing change and change management practices and processes. Employees also saw change and change management as an integral component of New Public Management philosophy with regard to performing in their job descriptions and commented that change and change management was associated with issues relating to:

- better productivity and staff morale
- increased productivity and effectiveness
- improved processes
- a process by which an organisation wishes to move forward
- change in work duties, policy, in management direction

- political, social and economic issues, and
- change in organisational priorities.

To reiterate, most of the employees interviewed had limited knowledge and understanding of change and change management processes and practices. Employees were also uncertain as to providing a clear definition of 'change'. Responses varied from complex explanations to simplistic understandings of the terms 'change' and 'change management'. For example, employees stated that 'change is a different way of doing your work'; 'change could imply to the rearrangement of office equipment'; and 'changing your role in the SATC'. Other responses, that revealed a simplistic understanding, of 'change' and 'change management' included 'doing things differently'; 'being told to embrace new ways in which to manage our roles'; and 'doing what other public sector organisations are doing'. It must be stated that the changing of roles or functions within public sector organisations could be resultant of change initiatives implemented nationally in Australia. Consideration should also be given to the external factors such as the economy, competitor behaviour, and political climate or internal features such as the power of different interest groups, distribution of knowledge and uncertainty, influence the nature of change (Fineman, 2001).

As mention in Chapter Four, only one employee expressed the opinion that change and change management was a a two-fold process. His understanding of change and change management indicated that he was aware of both the internal and external forces responsible for change. The key external forces responsible for change, according to USDA (2004, p. 1), are demographic characteristics, technological advancements, market changes, and social and political pressures. Furthermore, according to USDA (2004), internal forces responsible for change are human resource problems, and managerial behaviour/decisions. The views expressed by this employee reflected a greater understanding of the nature of change in comparison to other employees interviewed and were similar to those offered by USDA (2004). Thus, according to this employee, as discussed in Chapter Five:

*Change is probably two-fold, internal change and external change. Internal change probably being where an organisation wants to improve processes to better deliver its business so that might mean a change of restructure of departments and managers. Externally, it may be the changes that come out of any changes in industrial relations or law or changes in accepted practices, for example, in terms of maternity leave.*

Another employee stated that he understood the need and purpose of change and change management in public sector organisations. He went on to explain that ‘change’ was part of a natural process that all government agencies underwent in order to improve organisational effectiveness. Without organisational effectiveness and efficiency, he added, ‘all government sector agencies would under-perform. The general Australian public does not want a public service that cannot deliver the goods’. This employee elaborated that he believed it was necessary for public sector employees to accept change however the ‘change’ should be explained explicitly to everyone and change processes must be implemented correctly. He also stated that he was more concerned with issues relating to the management of change rather than the change itself.

According to McDaniel and Driebe (2001), employees ‘have traditionally been viewed as if they were like machines that operated in accordance with the Newtonian laws of cause and effect, with linear relationships between actions and results ... [leading] to a managerial focus on getting the pieces to fit together, predicting future outcomes of managerial actions and controlling the behaviour of workers to get them to perform as cogs in machines’ (cited in Sithorpe, Glasgow and Langstaff, 2004, p. 2). Within this perspective, efficiency becomes the goal of the organisation where there is competition in the provision of goods and services in the most cost effective manner. Ted’s and Max’s understanding of change and change management are similar to the views echoed by McDaniel and Driebe (2001).

For ‘Ted’:

*... change can include the hiring of new staff ... changing the management structure of the organisation ... devising new objectives within the organisation ... changing the way we perform and operate ... the way we operate to cut down costs while still being competitive.*

Likewise for ‘Max’:

*Change is about change in work duties, policy, in management direction, change of process in order to make the employee more productive ... we are like cogs in wheels ... we work according to set patterns to become more efficient. It is also politically, socially and economically aligned. We have to do more, with less, I mean financial resources.*

‘Sue’ was of the opinion that ‘change’ was closely linked to changing individual work behaviour and confessed that she found it difficult to understand the concepts ‘change’ and ‘change management’. She had this to say:



*I mean, what's the ideology behind it? What's the idea? What's the purpose of it? For me, change can be anything to do with a person's set of circumstances. It can be personal change, it can be expectations from the employee or it can be change in priorities.*

As suggested by Zohar (1997), such difficulties experienced by employees can be associated with the newness of the situation and the need for 'new perceptual categories' that help create a context and sense of *why*. For many employees, communication, blueprints, time frames and identified pathways all contribute to creating both the context and the sense of *why*.

Some employees interviewed, who operated under what they termed as 'a good manager', were able to paint a visionary picture of the purpose as a whole, but respondents expressed confusion. When asked about the purpose of organisational change, respondents across the board did not demonstrate what Scott, Jaffe and Tobe (1993) referred to as the key characteristics of high performance organisations,; that is, a clear picture of the organisation's basic purpose and a shared common set of values. They were more in line with what Abrahamson (2000) referred to as being in a state of 'initiative overload' and 'organizational chaos'.

Overall, employees' understandings, as reflected within this theme, demonstrated that the implemented strategies had a 'capability bias', was more concerned with changes in operational practices, contracting, productivity and accountability than new behavioural practices, unity, vision and relationships. Perhaps, employees' confusion was related to a lack of knowledge regarding what to do and what was expected of them or being in a state of 'initiative overload' and 'organizational chaos' as mentioned previously.

Another important theme to emerge from the data was employees' experiences of change. These experiences are discussed below in Theme 2.

#### **6.4.2 Theme 2: Employees' experiences of change and change management**

Caldwell (2003) maintained the view that the current trend in most organisations requires that employees affirm their commitment to the overall mission, long-term goals and performance

standards set by their organisation. In addition, employees are expected to embrace the change initiatives being implemented. However, poorly implemented change initiatives can have detrimental effects on employees. This can result in a reduced commitment on the part of the employee, leading to low job satisfaction, increased stress and perceived levels of injustice by management (Michael and Lawson, 2000). It is important to comprehend that organisational change will only succeed to the extent that employees in the organisation, themselves change. It is for this reason that change management also requires understanding how employees change, since organisational change is based on changes in each employee (Bacal and Associates, 2007). Thus, understanding the role of the employee, from both an emotional state and participatory perspective, has become an integral part of the change literature. Mishra and Spreitzer (1998) found that the emotional state of the employee can typically be identified by four archetypes: fearful, obliging, cynical and hopeful. Such archetypes not only outline the emotional state of employees, but indicate how each state will manifest itself within the process of change and the associated behaviours and roles. Furthermore, individual change tends to happen over an extended period of time, as people adapt and assimilate change. That means that those involved in facilitating or leading organisational change must expect that there will be extended periods of adjustment in the organisation and not all employees will accept the change in a uniform fashion (Bacal and Associates, 2007).

This was evident when some employees conceded that change has had a negative effect upon them. According to these employees, change in the organisation has resulted in apprehension, anxiety, fear, disillusionment and shock. To reiterate, these emotions are evident in the following comments mentioned in the findings in Chapter Five:

*I think sometimes it makes you feel unsettled ... So it gives you a little bit of apprehension. (Latte)*

*I think I experience a bit of anxiety, a bit of the unknown. While there is an attempt to communicate by management and to be as open as possible, I still have a fear of the unknown. (Isabella)*

*I think initially I experience a bit of anxiety... yes, a bit of anxiety to begin with; The immediate response in my case is to sort of be fearful to change; I think there is always the initial anxiety when the change is being communicated to us ... so there is always some anxiety attached. (David)*

*If I had to pick on one emotion, it's probably 'disillusionment' because at the end of the day, I don't believe the department is being honest with us when it comes to change. (Mike)*

Positive participation in the change process on the part of the employee is certain to increase when employees are provided with opportunities of engagement, personal involvement and having a democratic say in issues relating to transition management. According to Jaffe and Scott (2000, p.14), the previously mentioned roles are vital to successful processes of change, and should focus on the 'involvement of every affected person, continual two way communication, transition structures and investment in the resources to support the transition, and support for personal difficulty with change'.

While many change authors would support such a process for change, and the view that employees require clearly defined roles during organisational change, research at the employee level does not always reflect evidence of roles being clearly defined for employees or definable by them. Whilst some employees in this research were apprehensive, anxious, fearful, disillusioned, shocked, challenged, excited and motivated with the impact of change, some were clearly unsure about the role and impact of change. This was evident in their comments:

*I experienced a lot of different things. I am not sure whether it is disappointment or excitement ... what I would like to express is the fact that I am unsure of my role in the organisation ... I mean, what am I supposed to do? ... how will the change impact on my role in the organisation? (Max)*

*The more change that you are exposed to, the more experience you have when dealing with change ... workers in this organisation who have been here for a long time, I think, find it easier to implement change ... In my case, I have only been here a few years, I am getting accustomed to this 'change' thing so I cannot tell you with a great deal of certainty how the change is going to impact upon my work. (Pinarello)*

*I must confess that I am uncertain of the effects of change on my role in this organisation ... I guess, it depends on the directness of the change and you ... Assuming it affects you directly and you don't agree with the change, obviously you cannot make a judgement ... I guess it's more a wait and see approach that can lead to a bit of unease and nervousness. (Sandra)*

*During my stay in this organisation, I have observed people experience varying degrees of emotional stress when they experience 'change'. I think that some For me, I am not sure. I don't know if it has affected me or not at this stage. (Marilyn)*

Also, seeking to understand employees' experiences of the change process and how they saw themselves as part of the process is reflected in the following range of statements gleaned from the interviews:

*... everybody has to get the same message in the organisation.*

*... it is important to remember that everybody is different.*

*... this organisation needs to consider employees' mindsets.*

*... managers need to talk, listen and discuss issues more often.*

*... why are employees being excluded from focus groups?*

Employee statements such as those above, reveal that employees were excluded from any concept of involvement or participation in the process or processes of change. Thus, it is not surprising that some employees felt that they had no definable role or sense of participation in the development and planning of change in the organisation, suggesting that the role of management was seen as one primarily responsible for initiating, leading or directing the change. Employees' responses clearly indicated that they had no direct influence on the process and, therefore, no definable role in change.

Some employees stated that they merely received instructions regarding what was required of them. They were not involved in creating 'a change process'. This was in contrast with issues of ownership and participation that increase responsible action and decision-making (Wanous, Richers and Austin, 2000). Lack of ownership was identified in the findings as a missing element in the process, resulting in negativity. This was evident in the following statements:

*In our organisation, we are told what to do. However, you must remember that we are a government organisation. (Claire)*

*We are not included in the decision making process therefore we cannot claim to own anything regarding change policy. (Sarah).*

*I don't contribute because I know I won't be heard. So, why bother? I don't have any say at all in any change process. (Fred).*

Cynicism, as identified among some of the interviewees, is noted by Wanous, Richers and Austin (2000) as a direct consequence of a lack of participation and arising from a lack of understanding when employees do not know the basis of actions or decisions taken by managers. A junior employee in the case study stated that:

*I am ignored and brushed aside because of my junior status. Who do I go to find out things? (Sue)*

With reference to the above, Brandt (2001) stated that the ‘new employee’ of the 21st century was no longer satisfied with being treated as an ‘untrustworthy idiot’ and was seeking more responsibility and participation in the processes of organisational change. Brandt (2001) suggested that what employees are seeking today is work-based collaboration where all important information is shared, along with decision making and opportunities for participation in the change process.

When employees were asked who they thought was responsible for the change process within their organisation, their views did not reflect a view of collaboration, but instead a broad range of mixed views, for example:

*I suppose we are, after all we are responsible for change. (Madeline)*

*The government tells us what to do. (Ted)*

*Management is ultimately responsible for driving change. (Max)*

*Our level of international competitiveness determines the changes to be made. (Sam)*

*I am directed to implement change, not question it. (Sol)*

Employees’ responses illustrated in the above discussions depict the ‘received instruction’ situation. This is discussed in greater detail under ‘Theme 6: Change and change management – a top-down driven policy’. It must also be stated that data from the interviews did not support what Lewin and Regine (2000) described as ‘tapping into human capital’ or that the employees were able to feel part of a ‘community at work’. As Lewin and Regine (2000) state, most employees have a deep desire to be part of a community within their place of work. They have a desire to contribute to something, feel fulfilled by what they do and be part of an environment where they feel genuinely cared for. To achieve this, employees need

to feel active and valued members of their work environment and to believe that their contributions are welcomed. However, not all employees believed that they were being afforded the opportunities to become part of that community described by Lewin and Regine (2000).

On the other hand, some employees were not overtly concerned with the fact that there was no inclusiveness in relation to change and change management in the organisation. Rather, they viewed change as a challenge. 'David', a senior employee who was also responsible for initiating change in his department, had this to say about change:

*I actually love and look forward to the challenges of change. That's what keeps me vibrant and keeps me interested. So I embrace change with excitement.*

Other employees were motivated by change and saw it as 'a sense of excitement and intrigue'. This is illustrated in the comments made by employees, namely:

*There's a feeling of excitement, of moving forward and opportunities coming from that; change is intriguing; and I find it exciting actually.*

Another theme identified was 'resistance to change'. This is discussed in the next theme.

#### 6.4.3 Theme 3: Resistance to change

According to Susanto (2003), many writers agree that management is fearful of resistance by employees when change is introduced in the work environment. In the context of this research, *resistance* is a 'behaviour which is intended to protect an individual from the effects of real or imagined change' (Dent and Goldberg, 1999, p. 34). Folger and Skarlicki (1999, p. 36) defined resistance as 'employee behaviour that seeks to challenge, disrupt, or invert prevailing assumptions, discourses, and power relationships'. Some researchers stress the emotional sources of resistance, namely feelings of frustration and aggression as responses to the change initiative (Piderit, 2000).

Furthermore, according to Zander (1950), there are six main reasons for resistance to occur in change initiatives:

1. Ambiguity in the mind of those who will be affected by change about the nature of change.

2. Existence of diverse interpretations about the change and its impact.
3. Existence of strong forces preventing [employees] from changing.
4. Strong top-down imposition on [employees] who will be influenced by change, and lack of participation.
5. Existence of personal interests directing change.
6. Ignorance of pre-established institutions in the group.

Susanto (2003, p.1) maintained that ‘resistance has caused dramatic chaos and uncertainties which may bring the change into disaster or worse, collapsing the whole organisation’. Similarly, Waddell and Sohal (1998), also stated that resistance to change has long been renowned as a negative factor that may influence the success of change processes. Waddell and Sohal’s (1998) view was also supported by Maguire (2003), Mabin, Forgeson and Green (2001), Teare and Monk (2002) and Trader-Leigh (2002), who wrote that resistance brings nothing but negative consequences to management. However, most of the employees interviewed said that they did not resist change initiatives introduced by management. They made it clear to the researcher that ‘resistance to change’ within the SATC was a personal issue and one that was dependent upon an understanding of change. The following vignettes support these claims:

*What is there to resist? I mean, if we resist, we will be asked to leave. I don’t want to leave this job. (Max)*

*It is not in my nature to resist any new initiatives in the workplace. (Jill)*

*I have been a public servant for most of my life. I have seen new things tried out in the workplace. Sometimes, even if they are working well, they are replaced all in the name of ‘change’. So why resist? Where does it get you? (Paul)*

*Personally, for me, change will always occur in an organisation like ours. Over the years, I have learnt to accept change. I do not think that I resist it openly but at times I question it to myself. But really, this is a personal issue. All I have to say is that I see no reason to resist change. (Henry)*

Employees also stated that if they were not thoroughly informed of the purpose of change, then there was a possibility that they might resist the change initiative.

*You need to ask yourself, “Why do people resist change?” Like everything else in life, if you do not understand something, you might not accept it. Likewise with*

*change. If you are not made to understand why the change is necessary, some people might react negatively and reject it. (Susan)*

*How do you expect a mature individual like myself to 'willy nilly' accept something that I do not understand or comprehend. I will only accept directives from management if they make it clear to me the reason why they are changing current practices in the organisation. (Andy)*

From the above vignettes, it is obvious that resistance to change within the SATC was a divided issue. On the one hand, we have employees who clearly stated that they resist change for personal reasons or if the nature and purpose of the change is not clearly explained and on the other hand, we have employees who stated that they embraced change or had become compliant to change. 'Sam''s viewpoints on this issue, discussed in Chapter Five, clearly indicates that she was averse to resistance in any form. Anne echoed similar views on this issue.

For 'Claire', change and change management is an occupational necessity that is characteristic of contemporary organisations. It is for this reason that she accepts change. This is evident in her response when she states that she did not resist change. 'Change' for her, was inevitable and she advocated learning to understand the change. Only through the process of learning, will employees be advantaged when implementing change. In a similar vein, 'Sarah' also responded that she did not resist change. She believed that change was important in issues relating to 'restructures' in the organisation. She maintained that managers had the power and authority to dictate the change and employees had no options but to follow.

Another important reason for resistance is closely dependent upon employees' understanding of change and change management processes and practices. As discussed previously, some of the employees interviewed had a limited knowledge and understanding of change and change management processes and practices. This influenced the degree of resistance displayed and is evident in 'Claire''s situation:

*Employees will resist 'change' if they do not understand what is expected of them. Change initiators must explain to the different groups why they need to work in harmony, what they need to achieve together and the expected consequences if*



*failure does occur. Only when employees are clear about the change, will there be little or no resistance ... I do not resist change and change management (Claire).*

Resistance to change was also directly related to the issue of 'implementation'. According to Mabin, Forgeson and Green (2001), the prerequisites for a successful change must be met in order to reduce any form of resistance. The prerequisites, in the context of change, should include amongst others, vision, mission, leadership, culture and communication because if these are not met, the change will not succeed 'due to what is often termed resistance to change' (Mabin, Forgeson and Green, 2001, p.168). Thus, whilst it is imperative that the prerequisites are met, careful attention must also be paid to the manner in which the change will be implemented. Incorrect implementation can lead to resistance, as explained by 'Andrew' below.

*I remember once I was called in by my manager. I was then instructed to change the way in which I was implementing a program. When I questioned why, as I was reaching my targets, I was told that this way was the 'new way of doing things'. I was given no guidance on how to implement this 'new way'. I spent a whole week on my own trying to come to grips with this new approach. I must admit that I failed. My targets could not be reached. As a result, I resorted to the 'old' approach. In a sense, I suppose you can say that I resisted the change because I did not receive the guidance on how to implement this 'new' change. Eventually, I became so frustrated that I transferred to another unit in the SATC. (Andrew)*

Also, in relation to the issue of implementing change, 'Jeff' stated that:

*I think that the issue [resistance to change] is related to the processes associated with change. I think if I have an issue with the change process being proposed, sort of, vent to seek to have a resolution that might be more workable. Failing this, the chances are that I will most certainly resist the change.*

For 'Fred', his main concerns revolved around issues concerning the implementation of change. Considering himself a professional, he maintained that management had a very important role to play regarding the implementation of new change initiatives. Management must be fully aware of what to expect when introducing the change; the level or degree of employee participation needed to successfully implement the change; all relevant data associated with the change – baseline data, objectives, problems that might be encountered, solutions, etc. Thus, effective communication should take place in one or more forms with all those affected by the proposed change.

‘Fred’'s views were similar to those espoused by Mabin, Forgeson and Green (2001). However, whilst acknowledging that he did not resist change, ‘Fred’ explained that he would question the processes employed if he considered them unprofessional and only resist as a last means of resort. To this end, he stated:

*I have questioned unethical change processes, absolutely. Obviously, if someone suggests that you change the way you do things, you question why and I have questioned why ... I will resist if my questions are not answered to my satisfaction ... have a negative effect on my work.*

‘Latte’ voiced similar opinions. However, like ‘Fred’, she resisted change to some degree but only in a limited capacity. She also admitted that at times she questioned change processes and practices which were perceived as a form of resistance in the organisation. On these occasions, she went on to state that she was questioned by the executive management with regard to her questioning change initiatives being implemented. She was reminded that her actions as a manager were to ‘obey and follow’. ‘Latte’ had this to say:

*Yes, I have resisted change but only to my immediate manager and not at higher levels. I voiced my opinion on processes that were about to be implemented. However, these were completely ignored. It was like ‘talking to a brick wall. I was constantly told by my manager that he was only following protocol and had no say in the matter.*

With regard to resistance in the work environment, Piderit (2000) stated that resistance is closely aligned to the intentions of individual employees. He found that resistance could be both subjective or objective depending upon the intentions of the individual employee concerned. According to Trader-Leigh (2002, p. 139), resistance reflects ‘humanity on stage during organisational transformation efforts’. In other words, employees ultimately manifest the success or failure of the change (Moran and Brightman, 2001, p. 111). Kotter and Cohen (2002) suggested that employee perceptions of change and emotions towards change determine the relevant successes or failures. Thus, employees’ behaviours that appear characteristic of resistance may not typically be so.

Another important theme to emerge from the data is related to communication, which is discussed next.

#### 6.4.4 Theme 4: Communication in the South Australian Tourism Commission

‘Communication is important, since it provides the artery for information and truth. By communicating the organisation's vision, management defines where it's going. By communicating its values, it establishes the methods for getting there’ (Leadership Management Australia, 2010, p. 11). Thus, it is imperative that there should be effective means of communication from the top to all other levels of the organisation where communication occurs between co-workers. Likewise, Oakland and Oakland (2001) maintained that communication is one of the most important supportive dimensions to be considered when implementing change in any organisation. Stamatis (1996) concurred that communication is one of the most important factors to guide employees to become more productive, to enhance successful team co-operation, to establish effective problem solving within the team context and to establish continuous quality service rendering results. Whilst these may appear as clichés, they are important considerations in relation to communication in the workplace. It must be stressed that effective communication should be a two-fold process, namely, managers must analyse their own patterns of communication, as well as design communication programs that complement quality objectives, team needs and specific plans of action (Stamatis, 1996). With regard to the SATC, communication is important in order to:

- convey verbal and non-verbal messages, from management to business unit employees regarding matters relating to the tourism industry sector
- encourage correct understanding and interpretation of work related issues
- Promote avenues of communication between management and employees with regard to management decisions and the execution of SATC objectives (adapted from Claver, Gascó, Llopis and González, 2001, p. 478).

The SATC has implemented several strategies to support the communication process, namely, *Industry Brief* (an internal newsletter circulated to all employees), executive staff members addressing staff members weekly, memorandums, staff and unit meetings, meetings with Marketing and Human Resource Management, workshops, training and development sessions and external stakeholder meetings.

In essence, the executive management of SATC has endorsed a communication policy that is clear and direct from executive management to all employees and related stakeholders. Thus, as a result of this management practice, the importance of communication and the levels of communication are given prime consideration in the organisation. The following employees, namely, 'Jeff', 'Sarah', 'Max' and 'Ted' were of the opinion that there were high levels of communication at the SATC characterised by openness. The following comments highlight these views:

*Personally, you will find that there is a high level of communication in the organisation. (Jeff)*

*On a general level, communication within the agency is almost perfect because I think people try and make that effort to communicate, to get different opinions from different colleagues so that everyone is involved, everyone has a stake. (Sarah)*

*I got to say that communication is pretty good. I mean they do not hide things from you. (Max)*

*I feel that there is good communication within the organisation. (Ted)*

However, it must be conceded that whilst the SATC has endeavoured to maintain open communication and a participative management style, employees asserted that communication channels were not effective in that they lacked open communication, that is, a free exchange of ideas and objections. This view was articulated by 'David' who felt that the organisation could do more to improve communication among the various units. He maintained that there was no open line of communication between board members and employees at the lower rungs of the organisation. He elaborated by stating that 'rumours' were prevalent in the SATC and many employees used these as a source of information.

Another employee, 'Sandra', also believed that not all information was presented in an open manner. For her, decisions were made by management prior to dissemination to other employees. She stated that:

*I don't think that all information is presented in an open manner. Quite often one gets the feeling that some decisions already made are being sold to you. So, I don't think that this organization fosters open expression or opinions if your viewpoints happen to differ from those being presented to you.*

Furthermore, employees felt that communication channels at the SATC were time consuming because they involved many people. With regard to this issue, 'Sue' stated that:

*Communication needs to be timely. Often people with my experience are very aware of changes that are going on a long time before it is formally articulated.*

'Fredric' was also of the opinion that the organisation needed to do more in order to ensure that communication was carried out in a timely fashion. He informed the researcher that:

*You have no idea of long it takes at times to communicate a simple message to all employees because of the hierarchy within the organisation. I mean, I am sure they can improve on the communication system in the organisation by speaking to the key players first. The fewer employees involved initially, the quicker the message will get across.*

Forgetfulness on the part of some members of management also contributed to occasional mishaps in the communication process. This particular issue was succinctly described in 'Teegan''s account below:

*Let me tell you a little story with regard to communication in this organisation. My manager received a memorandum from the CEO regarding budget cutbacks relating to a new project that we were working on. This was an important memo as it involved our complete unit. He subsequently told his personal assistance to pass this on to us as he had to attend a workshop interstate. As you can guess, she forgot to pass this information on to us. Our unit spent a whole week working on the project based on the 'old' budget. On his return, he requested to see the work that we had done ... I can tell you he was not impressed ... He could have met with my unit assistant manager and passed on the information in the first instance.*

However, these views are in direct contrast with the viewpoints expressed by four of the employees mentioned previously, namely 'Jeff', 'Sarah', 'Max' and 'Ted', on the issue of clear and direct communication in Chapter Five. Furthermore, employees who stated that they did not receive the correct or sufficient information at all times also were of the opinion that, at times, important information was only filtered down to certain units in the organisation at the disadvantage to other units. There was a concern that appropriate measures should be taken in order to improve this deficiency in the communication process. These are reflected in the views expressed below:

*I am aware that the SATC is a large organisation comprising of numerous units scattered across two floors of this building. I am also aware that this can cause*

*problems with communication. But my argument is this: There are numerous other public sector organisations just like the SATC and from my knowledge, they have more efficient modes of communication that filters down to all the different units. Take, for example, the Department of Education and Children's Services. They are based over 10 floors. Friends of mine that work there tell me that important information is shared across all the units. Why can't the same thing happen here? (Jonas)*

*It is not uncommon for our unit to receive important communication several days after the other units have. What is frustrating with this is that we are given no explanation. I think it is high time that senior management addressed this issue as it often leads to unproductive work. (Jenny)*

*There are times that I cannot fathom out the mentality of some of our managers. They are fully aware of the importance of dissemination of information across the entire organisation but they seem oblivious of the importance of this work practice. The different units within the SATC do not work in isolation of each other. There is this interdependency among the different units. One unit cannot exist independently of another. If management does not take the necessary steps of ensuring that all units are well informed of decisions made and the consequences of these decisions on the units, then I am afraid that the SATC will not function effectively. (Marilyn)*

It was also mentioned by employees that they felt the issue of trust among the different units within the SATC, as well as individual employees, was being eroded due to poor communication. 'Madeline' stated:

*I cannot stress how important communication is and my experience has been that when you are not communicated to truthfully, then you do not trust ... If your communication channels are open and honest, change is an easy thing.*

'Sam' stated:

*I believe that the Commission does try to be seen as providing as much communication as it can. There are regular staff meetings. I suppose there is a good flow of communication but at times some of the information is not truly presented. Sometimes important information is omitted.*

As discussed in Chapter Five, employees also stated that there was a lack of information about the daily activities within SATC. They attributed this to the gap that existed between executive management and lower level employees. According to Communications44 (2009, p. 4), effective communication in any organisation focusses on better informing and engaging employees. It is also important to consider that 'the way in which such news and information

is received, discussed and acted upon by employees will ultimately have a positive or negative influence on business performance'. Also, better informed employees 'become more personally involved in the business generating higher quality work', improved productivity; reduced absenteeism; increased levels of innovation; and reduced costs.

Thus, effective communication with employees contributes to performance by providing all employees with a stake in what the organisation is doing. This sense of ownership builds a high degree of morale among employees and has a significant impact on the culture of the organisation. However, employees did acknowledge the difficulty of being informed about every daily activity within the SATC. Comments were commonly made such as:

*If the information does not concern my unit directly, then I suppose I do not have to really know about it; Let's be practical here, in an organisation of this size, it is impossible for everyone to know everything that is happening all of the time; Yes, there is a gap between what the executive management are willing to share with lower level employees and what we want to hear; and I do not believe that we as lower level employees are given much say about the issue of 'change'. We basically do as we are told but sometimes it is difficult for management to involve us directly in the change processes'.*

Other responses from employees indicated that the levels of communication within SATC were appropriate but could be improved upon. Employees had this to say with regard to the issue of improvement:

*Communication can always be better ... there can be more done to improve the communication in the SATC. (Claire)*

*I think communication can be improved. (Isabella)*

'Isabell'a also made a number of suggestions. These include:

- The need to hold regular staff meetings.
- The scheduling of one-to-one meetings with employees.
- The creation of an employee-only area on the organisation's website.
- The development of an employee noticeboard.
- Training employees to use email communication effectively.

The maintenance of a smooth information flow in the workplace to improve morale, increase employee retention, ensure employees are effective and productive and improve customer satisfaction.

With regard to ‘open and transparent’ communication and change, ‘Anne’ acknowledged that communication within the SATC was ‘open’ but was of the opinion that change initiatives should be filtered down from senior management to lower levels much sooner. Engaging in this practice would instil greater openness and transparency and foster a sense of trust on the part of employees. Employees will only embrace change if they can trust that change. Open and transparent communication will enhance this trust. Echoing similar sentiments, ‘Latte’ was of the opinion that there were ‘good’ levels of communication among individual teams in the SATC. However, she stated that ‘there should be more frequent communication among all employees ... only then will the message of ‘change’ be heard’.

The response of ‘Sol’—mentioned in Chapter Five— that executive management distorted the intent of information when they communicated to their staff members, or that some executive members had hidden agendas when they communicated specific information deserves mention again:

*On the surface, communication is reasonable because the chief executive is perceived as making an effort to keep everybody informed of the things that are happening in the Commission ... but at times, a lot of scenarios are presented to us ... they are already a signed deal, a done deal. They are presented to us as a ‘please give us your comments’ but our comments don’t really matter. You can’t actually change anything because it’s too late so I suppose it is more of a one-way communication. They give us information so that they are hoping we’ll make the opinions they want us to make based on the information they provide. They don’t actively seek any feedback from us. I don’t believe they want feedback.*

‘Sol’'s comments are similar to Handy's (1995) views that question whether employees can even function effectively in the absence of frequent and open face-to-face interaction. The heart of Handy's (1995) argument centred on effective communication and a belief that communication should be open and collaborative at all times. Other employees reiterated the point that communication is a two-way process and is only successful when the employee understands the message intended by the manager. They also stated that effective workplace communication was essential for the smooth and efficient functioning of the SATC. The manager should have proper communication with his unit members. Failure to do this could



result in high levels of absenteeism amongst employees, lower productivity and the development of grapevine networks within the SATC. Employees stressed that the manager should have personal contact with all members in his unit. It was also essential that managers clearly communicate goals and policies and get feedback on these goals and policies.

According to some employees, the importance of feedback played a very important role in the communication process. They stated that feedback enabled them to evaluate the effectiveness of the message and was important for maintaining an open communication climate. Thus, it was important for the manager to create an environment that encouraged feedback. This could be achieved, for example: after communicating a job assignment, by asking unit members, ‘Do all of you understand?’, ‘Is that clear?’, ‘Do any one of you have doubts?’ etc. By doing this, he would be in a position to determine whether his message was understood or not.

An important issue raised by employees was the importance of both upward and downward communications. Employees were of the opinion that upward communication would keep the manager informed about their job satisfaction, feelings for their peers and about the organisation in general. Downward communication was important so that the manager could give job instructions, explain the roles and policies and explain the issues which needed immediate attention. On a similar note, employees commented on the importance of horizontal communication within the SATC. They believed that it was essential that employees working at the same level also have effective communication amongst them so that there was co-ordination between them. In this regard, communication within the units had to be clear, concise and specific.

Another important factor responsible for the partial breakdown of efficient communication within the SATC was the issue of workspace. At the time of the interviews, the divisions within the SATC were spread over three different floors in a single building. At times, it was difficult to engage in effective communication because of the geographical structuring of the organisation. This disadvantage was observed by ‘Pinarello’ who stated that:

*One thing that restricts our communication on a personal level is the fact that we are spread out on three different floors. There’s a gap in between so that clinical space means that you don’t often come across people in certain sectors of certain floors unless you need to. So that does have an effect on communication in the organisation.*

Furthermore, it must be noted that the context within which communication takes place has an impact on the 'climate' within which communication occurs. According to Van Dyk, Frese, Baer and Sonnentag (2005), climate refers to the psychological atmosphere that prevails in the environment where the communication process is taking place. Effective communication is conducive to effective functioning, while ineffective communication will result in poor functioning. Claver, Gascó, Llopis and González (2001) maintained that in order to establish effective communication, management should understand all communication processes that are horizontal, vertical downwards, upwards and diagonal. These writers state that effective communication occurs when the message as intended by the sender is understood by the receiver of the message. However, this does not always occur within the SATC. As discussed in Chapter Five, this is evident in 'Marilyn's' comments with regard to communication in the SATC:

*I think sometimes communication fails ... Whilst I think that every employee should be told why things are happening, I also think it is important to make sure that things are communicated well to everybody in the organisation and in a manner that all employees know what is expected of them ... the message must be clearly received and understood.*

Furthermore, understanding the employees' involvement in the change process is important in providing an understanding of the context of the overall change process. The level of involvement on the part of the employee will reflect acceptance or rejection of the change design principles. This, for many organisations, can be problematic because 'building and staffing a bureaucracy that can cope with growth is the biggest challenge. The firm tends to hire and promote managers, not leaders, to cope with the growth. After a while, the firm drifts toward being over-managed and under-led' (Kotter, 1999, p. 16). Such over management restricts involvement and communication. Supporting employees' views of what leads to effective change from an involvement perspective, Kotter (1999) provided four distinctive points from a leadership perspective: the setting of direction consistent with the grand visions; aligning people by communicating decisions; inspiring action by motivating and inspiring from face-to-face interaction; and getting results by focussing energy on activities that help groups inside organisations to leap ahead.

Thus, if management communicates effectively, they, more likely, might be able to achieve their objectives and establish quality service more readily. Managers do spend most of their time communicating and the time spent on communication can be crucial for the continued existence of the organisation. Therefore, it is imperative that managers are encouraged to leave their offices and walk around within the organisation and communicate with the employees who work at the operational level (Claver et al., 2001) whilst at the same time maintaining effective managerial skills as well developing or maintaining a culture of openness.

Managerial effectiveness was another area of concern affecting employees within the SATC. Employees' perceptions regarding this theme are expressed in the next section.

#### 6.4.5 Theme 5: Managerial effectiveness

Stace and Dunphy (1996) stated that managerial effectiveness is primarily dependent upon the different roles played by key personnel in relation to the scale of the change being undertaken in the organisation. They also stated that successful organisational change requires charismatic managers. In order to achieve efficiency and effectiveness, the managerial component of any organisation might need to consider issues relating to management style, dress and relationships. To elaborate, management style might include issues relating to decision making, for example, 'Is the decision making autocratic or consultative? Are managers' doors open or closed?' With regard to dress, 'Are people expected to wear formal business clothing?' and In regard to relationships, 'Do people address each other formally or informally?' or 'How much interaction takes place across different levels in the organisation?' (Sadler, 1996, p. 44). It must be stated that with regard managerial effectiveness, the formal questions asked pertaining to this issue were similar to those endorsed by Sadler (1996).

For Drucker (1967), good managers have a mentor role to play in organisations. They do the right things and achieve results; they are visible and set examples for others to follow; and most importantly, they take responsibility. Wang, Chou and Jiang (2005) and Weinkauff and Hoegl (2005) stated that effective managers listen and communicate, encourage and facilitate, have a vision that they share; are goal oriented, and get things done. In essence, good

managers have the ability to consider short-term cyclical changes, longer-term underlying changes, technological changes, political changes, social changes, turbulent environments and triggers for change (Sadler, 2006, pp.14-22). Bass (1985; 1990) maintained that effective managers must possess the following dimensions, namely, charisma, individual consideration, intellectual stimulation, and inspiration.

However, the above is not evident in all organisations. Wang, Chou and Jiang (2005) and Weinkauff and Hoegl (2005) stated that there was no Holy Grail of effective [management] because effective management has different meanings for different managers depending on their specific role within or external to the organisation. Also, the defining characteristics of managerial effectiveness are prone to subjectivity depending upon who is observing and from the position that the observation is being made. Therefore, managerial effectiveness can be context dependent and it also changes over time. Thus, an effective manager in one organisation may seem to be totally inefficient in another organisation because there is disagreement about what constitutes effective or good management (Wang, Chou and Jiang, 2005; Weinkauff and Hoegl, 2005).

Stemming from the above discussions on managerial effectiveness by Drucker (1967), Bass (1985; 1990), Sadler (1996; 2006), Stace and Dunphy (1996), Wang, Chou and Jiang (2005) and Weinkauff and Hoegl (2005), some employees interviewed stated that they were satisfied with the level of managerial effectiveness as most managers portrayed some or all of the above mentioned attributes. As discussed in Chapter Five, the following statements expressed by employees indicated this view:

*I have an excellent manager and I am definitely coached through what I do. My manager is fantastic and I can't praise high enough there. I definitely get a lot of support from my manager and we get on very well. (Marilyn)*

*I have lots of confidence in our current CEO and in my current management ... He always encourages me. (Sandra)*

*I think our managers are effective. They have a voice, they are our voice boxes. The other units, the other departments, their managers have a firm background in management. (Ted)*

*I think there's been a positive change in managerial effectiveness. Things are finally getting done around here. (Sarah)*

*I think it's made a positive contribution. (Fred)*

*I think we have a good management team ... I think they are busy, incredibly busy people but I think the managerial team is a good one. We haven't had any problems with managers. They have an open door policy. (Lisa)*

However, as discussed in Chapter Five, other employees voiced different opinions regarding the impact and the level of managerial effectiveness within the organisation. The vignettes below reflect this viewpoint:

*How has change impacted on managerial effectiveness? I don't know that it has honestly had a huge impact on managerial effectiveness. (Claire)*

*Through my direct experience with my manager, I won't say there has been a significant decrease or increase [in managerial effectiveness]. One of the qualities of a manager is to be able to adapt to change. I haven't witnessed any significant differences in effectiveness. (Jeff)*

*To be honest, I think it's crap. I'd say it is very poor because there have been too many staff changes over the years. (Max)*

*It varies. Certain changes will actually make an improvement and then things will change again and we will have to take a bit of a step back. (Mike)*

In the context of the above, it must be mentioned that according to Klepper (1997), most organisations normally go through four main changes throughout their growth, namely, the formative period; the rapid growth period; the mature period; and the declining period. To elaborate:

1. *The formative period:* This is when a new organisation is just getting started. Although there is a *founding vision* (the purpose of the organisation), there are no formal definitions because there is a lot of experimentation and innovation taking place. These changes of creativity and discovery are needed to overcome obstacles and accomplish breakthroughs.
2. *The rapid growth period:* Here, direction and coordination are added to the organisation to sustain growth and solidify gains. Change is focussed on defining the purpose of the organisation and on the mainstream business.

3. *The mature period:* The strong growth curve of the organisation levels off to the overall pace of the economy. Changes are needed to maintain established markets and assuring that maximum gains are achieved by the organisation.
4. *The declining period:* For many organisations, this period is characterised by downsizing and reorganisation. For the organisation to survive, change initiatives must include tough objectives and compassionate implementation. The organisation must strive to 'let go of the old' and 'embrace the new'. Organisational success in this period means that the four periods start over again.

It must also be stated that for some organisations, the four periods of growth come and go very rapidly, for others, it may take decades. Failure to follow through with the needed changes in any of the four growth periods means the death of the organisation. It is for this reason that committed leadership is essential. A strong and committed leadership will ensure that change initiatives in all of the four periods described above are successful. Furthermore, this type of leadership is required on an ongoing basis at all management levels to support effective change. This task, however, is difficult to sustain as 'management frequently experience tension and disharmony in maintaining their own enthusiasm for the change program' (Brooks and Harfield, 2000, p. 101).

From employee comments on the issue of managerial effectiveness, it can be assumed that whilst some employees interviewed supported the level of managerial effectiveness within the SATC, others were critical of the impact and level of effectiveness displayed. If managerial effectiveness is to be described in terms of output, that is, what the manager achieves in the organisation, then the success of the organisation is dependent upon the efforts and ability of the managers; the environment in which the managers and the organisation operates, and the efforts and ability of the employees under his charge. Thus, organisations, for example, SATC, require managers to take on a more visible change-oriented perspective while maintaining organisational stability (Thomas and Velthouse, 1990).

In the next subsection, the theme of 'Change and change management: A top-down driven policy' is discussed.

#### 6.4.6 Theme 6: Change and change management: A top-down driven policy

The literature suggests that in Australia, there has been a trend towards ‘quasi-privatisation’ of public systems, what one might describe as ‘corporatisation’ in which public institutions are expected to function like businesses. This phenomenon has resulted in the restructuring of institutional governance in the mode of hierarchical ‘line management’, including significant devolution of responsibility for management to do more with less. In some government sector organisations, this management practice has meant that the agendas that managers and their unit leaders must ‘manage’ to achieve are determined and steered from a distance (Kickert, 1991). As a result of this ‘steering’ from a distance, writers, for example, Pollit (1990), Mascarenhas (1990) and Pusey (1991) found that some policy makers were out of touch with what actually happened in public sector organisations. Policies formulated by government departments were then forwarded to the various government agencies to be implemented thereby ‘labelling’ them as driven and top-down. With regard to the process of adopting change and change management initiatives in government sector agencies, some employees stated that they were not afforded opportunities to contribute their professional expertise in policy-making decisions. These employees perceived that these new change initiatives were regulated from above through ‘accountability’ regimes. For them, these new change initiatives were driven, dictated top-down by bureaucrats concerned more with imposing change policy agendas through performance indicators, than having a genuine concern for employee welfare. As discussed in Chapter Five, this view is evident in the following comments:

*Change processes and practices are basically processes whereby government officials use their power to control employees and other staff members. (Max)*

*The actual change policy from the department is a top-down issue. (Ted)*

*I think sometimes all of these things [change and change management] are being imposed upon us. (Bob)*

*What I understand is just what [change directives] is sent out by the Tourism Minister ... It's just that the policy is what they tell you, is what you are supposed to be doing ... Policy comes from the top. (Sue)*

*Then there's the stuff that comes from above ... I'm saying ... a lot of this comes down from the top. It's definitely top-down. (Jill)*

*I really think that in the process of change, someone makes the decision either the Minister or the Board or even an executive member or a manager. At that point, it becomes a top-down policy and the process is taken out of everyone else's hands ... Macro level, there is no consultation. That's just taken as it is. At the micro level, well, limited. (Fredrick)*

*Well, I desire an environment that gives us the opportunity to communicate at all levels ... an environment that offers a bit more consultation in terms of what change is required in the industry even if it means communicating with the Minister herself. That is desirable ... One perhaps where the politicians make time available to listen to our concerns ... talk to us. (Fred)*

The above responses indicate that some employees regard change and change management initiatives as a top-down directive to be implemented unequivocally within the SATC, thereby making change a 'mandatory' top-down model.

Ryan, Williams, Charles and Waterhouse (2009) made the point that mandatory, top-down strategies for change fail in the majority of cases in both the public and private sectors and that some change initiatives can lead to reduced employee motivation, morale, and collegial interaction necessary to bring about the desired change. Wanna, O'Faircheallaigh and Weller (1992) lent support to this argument, stating that some private sector organisations were in a position to mandate what happens in organisations in their organisations. In government sector organisations, however, what matters most is the local motivation of employees, employee skill, employee know-how and employee commitment. These need to be considered before the change initiatives are formulated. In a similar vein, Fullan (1994, p. 1) observes: 'top-down, politically driven [organisational] reform movements are addressed primarily to restructuring. They have little to say about [employee welfare]'. Clandinin and Connelly (1998, p. 153) describe this structure as a 'control paradigm' committed to 'generalisation about context rather than to contexts themselves; a hierarchical view of theory/theorists and practice/practitioners; and agenda driven by bureaucracies rather than by [executive managers] professionals'.

Thus, it is probable that mandated, top-down policies are problematic and do not necessarily bring about the desired change that they purport. For Senge (1990a, p. 290), this was the 'illusion of being in control'. He explained that the policy makers' belief that they are in control because of their position in the hierarchical structure is but an illusion. They cannot,



he argued, 'master the dynamics and complexity of the [organisation] from the top' (Senge, 1990a, p. 290). Furthermore, change as a controlling strategy will not work because there are too many issues to address and, because organisations are multifaceted, they are inherently unpredictable. Therefore, in spite of strong leadership and carefully thought out vision statements existent in some organisations, there still remains a distinct possibility that employees will undermine this policy. Fullan (1994) stated that top-down strategies, like change processes and practices, are more likely to result in conflict or superficial compliance. This viewpoint is supported by 'Sandra' who stated that mandated, top-down policies were bound to fail because change must be seen as process that 'empowers' employees. It must create an environment whereby employees get to 'trust' the policy makers. 'Trust' can only occur when employees are afforded opportunities to have a say in policy-making decisions, 'feel that you are part of a team', 'one where there is less bureaucracy'.

Another area of concern for employees was the manner in which policy directives were issued in the SATC. Whilst acknowledging that the SATC was a top-down driven organisation, 'Madeline' was dissatisfied with the manner in which change policies were delivered. She mentioned at, on occasions, employees were asked to contribute their ideas on 'change' but the final decisions were always made by the board or senior executives of the SATC. For her, this was unacceptable because she believed that this was a mere exercise in 'tokenism'. Likewise, 'Sol' also maintained that employees were 'excluded' from decision making processes regarding change. She was adamant that the board made all decisions as directed by the South Australian government. The Minister of Tourism, in consultation with the board of the SATC and other related government sector agencies, were instrumental in formulating policies regarding change. She stated that employees in the SATC had 'no say in these matters and were merely recipients of these policy directives ... the ones to accept and implement these changes ... no questions asked'. 'Sarah' also made the point that there was 'probably not a lot of opportunity in terms of consultation with employees'.

It must also be noted that with regard to top-down directives, Adcroft and Willis (2005) made the point that policy makers have failed to find the link between current world issues and demands placed on public sector employees. Hence, what we have happening now is that:

Every domain and activity of government [is] examined to determine whether it is

efficient, effective, high quality ... [Bureaucrats] look at the way it is delivered—whether in fact the Government should be the manager or provider in a particular area, or if it is better that we set the guidelines and farm its operations out to the private sector or the community itself. (Scott and Vidovitch, 2000, p. 3)

This practice seems to exist in the SATC too as reflected in ‘Fred’s viewpoints. He stated that he preferred working in an environment that was ‘less bureaucratic’, that had ‘less red tape’ and ‘not subject to political pressure’. According to Gee, Hull and Lankshear (1996), this contemporary vision of a ‘new work order’ has resulted in governments and senior management in some public sector organisations becoming oblivious of the real conditions and the work ethos of public sector employees. Instead, some bureaucratic officials have become resolute in forcefully imposing policies dogged with terms like ‘performance outcomes’, ‘benchmarks’, ‘quality assurance indicators’, and ‘accountability’. They have failed to realise that *‘employees are after all the only ones ... the agents that can bring about any change in the organisation’* (Claire). Thus, it would seem to appear that government policy makers had lost touch with the realistic world of public sector employment (Fred).

#### 6.4.7 Concluding remarks – revisiting the site

To reiterate, in Chapter Four (Research Design and Methodology), the researcher had decided to conduct both formal and informal interviews with SATC employees regarding their understanding of change and change management. The informal interviews were conducted in August 2007. The researcher discovered that this approach seemed to work very well. He was met with openness and less formality. The formal interviews were conducted in November/December 2007 and January 2008.

In this discussion, the researcher explains the reason as to why he revisited the research site. In this particular instance, *revisiting* was done in order to enrich existing knowledge. It is claimed that time-aware research is needed in public sector organisations especially now when postmodern notions of continuous change are commonly presented. Thus, *revisiting* tends to underline the importance of time and (shared) memories, as well as social relations within the field and their interwovenness. In this research study, *revisiting* is deployed as a research strategy in order to frame the issue of change and change management in a new way, that is, to ascertain employees’ current understanding of the issue (adapted from Pösö, 2010, pp. 27-42).

Stemming from the above, the researcher revisited the research site in May 2011. However, the researcher encountered difficulties in initiating formal interviews with employees who had participated in the previous formal interview (November/December 2008) phase of this research study. The difficulties encountered were:

1. Some employees indicated that due to time constraints they were unwilling to commit to the research endeavor.
2. Some employees indicated that they saw no benefits in 're-participating' in the research study.
3. Some employees stated that they were not interested for personal reasons.

It must also be noted that some of the previous interviewees had left the employment of the SATC. These difficulties posed a dilemma for the researcher. It was then decided to engage in informal conversations with six employees who indicated a willingness to 're-participate' in the research study. These employees had participated in the original interview process in 2007 and 2008. After negotiations with these employees, the informal conversations were conducted during times that were convenient for these employees. Also, unlike the previous interview processes, in this instance, the researcher directed conversations relating only to the issue of changes processes and practices currently being implemented in the SATC.

The current views on change and change management (processes and practices) emanating from the second-round of informal conversations conducted with the ten employees are presented below.

#### 6.4.8 Current views of change and change management in the SATC

As discussed in Chapter Six (Discussion of the findings), change is a constant journey that should be embraced. All of the employees that I spoke to reiterated the fact that the SATC was still experiencing difficulty in implementing change. Employees stated that following reasons for management failure during the organisational change management process.

*Personally, I think that there is a failure to establish a sense of urgency about the need for change within the SATC. What we have now is a lot of restructuring. As a result, there appears to be no senior management, by this I mean a guiding*

*coalition, that is responsible for leading and managing the change ... Well, this is the way it appears to me. Perhaps, there is this guiding coalition that I am talking about but I have not seen it. (Pinarello)*

*From my observations, I am of the opinion that the SATC has failed to establish a vision that guides the change process ... we were given the 2009 – 2014 plan to follow ... I mean it is only a plan ... It can fail ... What has senior management done to address obstacles that the plan may encounter ... There has to be contingency plans put into place to accomplish this 'new vision' that the SATC talks of. (Sol)*

*I have been saying from the time I started working for this organisation ... Yes, it is good for any organisation to implement change ... We need change to succeed ... But how can change be effective if senior management lack the ability and drive to effectively communicate the change ... When they get that right then perhaps change will work in the SATC. (David)*

*The SATC has failed to systematically plan to create short-term wins ... You need to do this if you want to reinforce achievement with the change process. (Jeff)*

*The SATC must refrain from declaring victory to soon ... After all, the South Australian Tourism Plan 2008 – 2014 will only be reviewed in December 2013 ... Declare victory then not now for the minor change that is occurring ... We need to look at the BIG PICTURE. (Sandra)*

*The greatest grouse that I have is this organisation's inability to anchor the changes in the organisation's culture. More needs to be in this regard ... Just sending us written directives to follow is not going to resolve this issue. (Ted)*

Four other employees, with whom I had several interesting conversations, spoke about the benefits of change within the SATC. These employees were of the opinion that if the SATC managed change initiatives effectively, both employees and the organisation would benefit in the following ways:

- The organisation would run more effectively. This effectiveness would guarantee long-term sustainability for the SATC.
- Employees would become more motivated. In other words, employees would become acclimatised to the changes that face the SATC and would be better prepared to handle challenges that may occur in the future.
- Initiative and creativity would flourish in this organisation. Employees would be afforded opportunities to explore various ways and means of doing their work in a way that may pre-empt changes within the tourism industry that they are involved in. In this way, employees would now become the drivers of change.

- Organisational leadership would be strengthened. In turn, organisational leadership would become more experienced in dealing with change, to the point where change would become part of their daily life.
- The organisation would be better prepared for the future. It would be in a better position to handle future changes.
- Organisational growth and learning would improve. As the organisation's learning grows, the organisation's intellectual capital grows which could be used as a measure of organisational growth.

Employees also spoke about the challenges of implementing change management within the SATC. They stated that there were no inherent drawbacks in change management *per se* but in the way the process was handled. Accordingly, they expressed their opinions as follows:

*I strongly believe that rapid change causes high stress levels among employees. We become overwhelmed and cannot 'keep-up' with the rapid pace of the change initiatives being introduced. This creates a sense of helplessness and can end up affecting organisational performance negatively. Also, we are demoralised and worn out by undergoing change too often. (Max)*

*The skills and abilities required to implement the change successfully are not available. This has the potential to induce fear in employees like myself. I might be affected negatively by this. (Sue)*

*We are working for the government. The introduction of change, to me, is a 'power' and 'political games' situation that affects us negatively. As a result, fairness and trust are lost. No wonder, the motivation levels of the employees are diminished. (Pinarello)*

*It is important for an organisation like this to carefully consider the correct approach to change. If the SATC selected the wrong approach to change management, it would result in more problems than solutions. This would reflect negatively on organisational performance. (David)*

*Few changes seem to deliver on the pay-off the organisation sought in introducing them. (Sol)*

*Unless employees believe in the necessity of and support the change process, it is doomed to failure. I hate it when changes are introduced out of a 'fashion sense' without any strategic intent. This has disastrous consequences as employees like me find it difficult to support future change initiatives. (Sandra)*

Interestingly, these employees also elaborated on several preventative measures that the SATC could adopt to ensure that change initiatives succeeded within the organisation. These measures, they reiterated, would assist in overcoming the challenges and drawbacks of change and change management within the SATC. To elaborate, employees offered suggestions, namely:

1. The organisation must ensure the intended change is necessary and directly linked to its strategic intent.
2. A proper change management approach must be adopted to implement the change.
3. Any change approach implemented must also be in line with the organisation's culture.
4. The change needed must meet the scope of skills and abilities of the existing workforce.
5. The organisation must have a program in place that would assist employees with the pressures of the intended changes.
6. The SATC must ensure that it created a clear vision that served as a guide and inspiration for all employees during the change process.
7. The organisation must ensure that there was effective communication of the change through all levels of the organisation.
8. Every employee must know exactly what was happening at all times during the change process.
9. A culture of honesty and integrity was embraced within the organisation.
10. The SATC must ensure that a clear strategic leadership was exercised during the change management process.
11. Every employee in the organisation must know who was leading the change process and have trust in the individual or team that did so; and
12. The organisation install a system of identifying and rewarding best performance which would help to keep employee morale high.

The importance of communication in the change process was once again highlighted during the informal conversations that I had with these employees. These are represented below:

‘Max’ stated:

*We live in 'an age of communication' but within the SATC we still we continue to have so many problems communicating effectively in the workplace. Most of my colleagues repeatedly say that they never get enough information ... 'no-one ever tells us anything' ... 'we are always the last to find out when changes that affect us are happening in the organisation'.*

When asked, 'What is it that the SATC should do to improve communication in the organisation?', 'Sue' replied that the organisation should follow a set of guiding principles. She emphasised the need for effective communication within the organisation, which would entail developing communication skills and awareness and making sure that all information being communicated is understood. "Sue" also pointed out that communication is a two-way process, thus SATC should ensure that employees communicate more often and try different methods and styles of communication. Overall, Sue believed the organisation should monitor the effectiveness of communication strategies being used in order to maintain the communication effect.

Another employee, 'Sol', spoke about the effect of the circular approach to communication. 'Sol' went on to explain that the circular approach to communication was far more effective than a linear approach because it engendered trust among all employees in the SATC. Trust was important because it was the foundation from which every long-lasting, successful relationship is built, and with trust comes credibility. So if credibility and trust are important in the organisation, so too should two-way communication.

With regard to the issue of communication with industry stakeholders, 'David', 'Jeff', 'Pinarello' and 'Max' expressed the following views:

*Good communication is no longer an optional extra for public sector organisations ... I believe that it is an essential part of any successful organisational strategy and a fundamental component of how the general public and the people using public services judge how well those services are being delivered. (David)*

*The demand for transparency and accountability in the public sector has never been greater and an increase in consumer voice and choice means that open, honest, two-way communication is the only viable option for organisations wishing to build their reputation and strengthen relationships with their communities. (Jeff)*

*Public sector communication should no longer be thought of and practised as a linear activity. Communication should not start with the crafting of a message and end with its delivery. Effective communication is a complex process; listen, learn, let people know. And when you've done that, do it again. (Pinarello)*

*You need to strengthen communication efforts by building on all possible channels so that they can be used to ensure clear, unambiguous communication ... Establish a feedback mechanism that allows a two-way stream of information and treat all reactions to change as worthy and valuable ... Management must constantly be available to respond to queries, qualms, complaints and misunderstandings ... Understand the value of each employee in the change process and communicate that in all your correspondence and communication media. (Max)*

From the above viewpoints expressed by employees, it is obvious that they were not satisfied with the change processes and practices being implemented (at the time of this research) in the SATC. They indicated that the organisation would do well to highlight the urgency and necessity of the change in simple, easy-to-understand terms; establish a change leadership management team that includes employees who are trustworthy, possess the correct technical skills, good interpersonal relationships, and official authority; and articulate logical, clear, and concise strategies for making the desired change. By doing so, this would foster understanding of the change processes and practices and instil a sense of *esprit de corps* among employees. Furthermore, it would release and stimulate the potential of many employees, encouraging them to actively take part in the change and to be willing to share in the vision of the organisation. Thus, employees could maintain high organisational identification and job involvement throughout the process of change, thereby helping to achieve the goals of the organisation.

Compared with the findings gleaned prior to the 're-visit', this researcher may conclude that the SATC is still experiencing shortcomings with regard to the implementation of change and change management processes and practices. In essence, it would appear that these shortcomings are related to the focus on short-term gains over long-term results. There are also the following requisites in the change process:

- re-evaluation of current communication channels so as to create new and more efficient channels
- gathering of greater feedback from employees regarding change initiatives
- becoming more sensitive to corporate culture and diversity issues



- seeking opportunities to plan strategically and communicating positive results
- considering all audiences in the change process
- informing employees that change is a continuous process
- gauging and understanding employee issues
- reinforcing key issues, and
- remembering the role of operational issues in shaping employees' understandings.

## 6.5 Summary

According to Cashman and Feldman (1995), demands for high performance and organisational growth requires employees to take the initiative and link their work skills to the evolving needs of the organisation in a manner that suits change initiatives being introduced. However, this is no easy task. Decades of change initiatives has had a dramatic impact on employees and change initiators alike.

The way in which work is currently performed has been revolutionised by recent organisational changes. In the past, a person entered a vocation, and practised that work for a lifetime. Nowadays, with change and change management impacting every job and the manner in which employees work, employees cannot rely on their work skills to be assured of a lifetime of employment. According to Buhler (2000), organisations are now looking to employees to keep pace with change, anticipate changes and even create some of the change. Cashman and Feldman (1995, p. 15) maintained that 'employees and organisations are struggling with ambiguity, anxiety, low morale, more pressure, more stress, less control, more work . . . and growing frustration'. Also, because change has become a dominant factor of organisational life, employees are faced with the issues of how to change and what impact the change will have on them.

The discussions presented in this chapter are associated with all the above mentioned issues. It provides a useful insight into what employees believe to be happening within the SATC with regard to change and change management. Their views provide the platform of what they believe would create effective organisational change within the SATC and demand a close and careful consideration of these by SATC change initiators. Also, the discussions have been informed solely by SATC employees who have reflected on their own experiences

of change and change management. It has been presented utilising as much as possible of their direct language and meaning. Thus, the discussions presented in this chapter have given *inter alia* both the ‘what’ and the ‘how’ of change as perceived and understood by SATC employees.

In the next chapter, models and approaches to change and change management are presented as a guide for the implementation of change in government sector organisations.

## CHAPTER SEVEN - CONCLUSION

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### 7.1 Introduction

This case study has sought to advance understanding of change management (processes and practices) within the arena of public sector organisational life with specific reference made to employees within the South Australian Tourism Commission (SATC). In particular, one of the primary objectives of this case study was to create avenues of opportunity for employees' voices to be heard by a wider audience.

On the basis of the research findings, it is possible to make some sound judgements about change and change management in a public sector organisation, namely the SATC. To explain, much of the literature on change management reveals employees having problems in change implementation and sometimes the role of change initiators is recognised as influencing this problem. Thus, the researcher recommends that a reverse view of the change initiator-employee relationship pertaining to strategic implementation be seriously considered and that all employees should be viewed as proactive strategists and implementers. This view means that these proactive strategists and implementers will be able to inform change initiators of salient behaviours and activities required to effect change.

It must also be stated that public sector reform has focused attention on how different models and approaches of change can contribute to organisational metamorphosis. Traditional models (for example, planned contingent and emergent) and approaches (for example, transformational) of change are unlikely to achieve the necessary changes in some public sector organisations because of the internal and external forces impacting upon them. In essence, for effective change to occur, the researcher is of the opinion that these organisations should consider utilising a hybrid model or approach that is most applicable and suitable to their particular organisation. The researcher also maintains that direct participation, involving employees themselves, might play a key role in ensuring acceptance of change and creating ideal conditions for employees to make effective contributions to their organisation. Also, direct participation plays a vital role in employee development. However, it must be stated that direct participation also places demands on organisations to adopt a more facilitative and

supportive style of management and to put in place mechanisms that will ensure that participation in change becomes an integral part of the work process.

Stemming from the above, and the research questions given in Chapter One, the researcher offers a four-step model to change emanating from the research findings that might lead to the successful implementation and sustainment of organisational change in public sector organisations, more specifically, the SATC. It must be noted that the recommended model presented is not a 'one size fits all' for the successful implementation of change but it could be further adapted to suit the uniqueness of other organisations.

## 7.2. A Four-Step Model/Approach to Change in Public Sector Organisations

Many public sector agencies can be depicted as an ellipse with categories of unique features. These categories were developed from the literature on change models, contemporary approaches to change and the findings from the qualitative research findings. The research findings strongly support the literature and consequently the unique characteristics of change in public sector organisations thus their inclusion in the new model presented is discussed.

Figure 7.1 below represents the proposed four-step model of change in the SATC. It must be noted that this unsophisticated model is easy to read and understand and was designed for the sole purpose of providing an uncomplicated understanding of the change process.

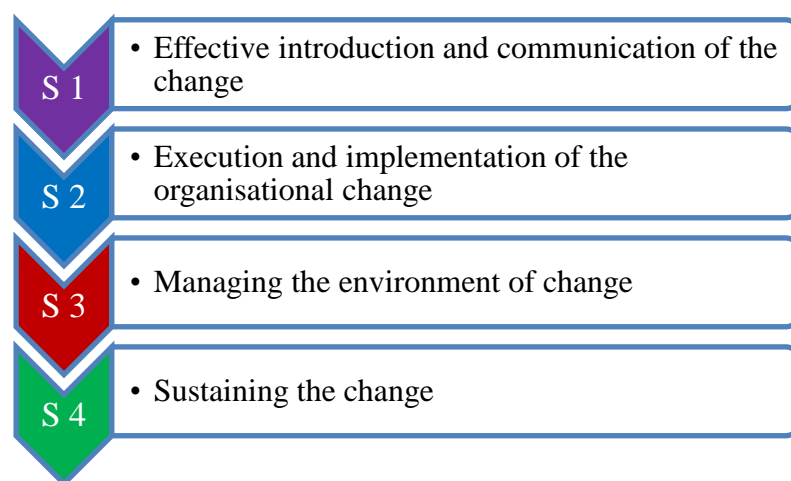


Figure 7.1: A four-step model of change for the SATC

(Source: Adapted from Kotter 1996)

If one has to consider the essential components for effective change included in this model, the research findings indicate that an effective introduction of the change, the execution and implementation of the organisational change, managing the environment of change, and sustaining the change were highly appropriate in this study. Furthermore, organisational structural changes and change practices implemented in public sector agencies were also considered important. Also, a range of organisational change practices designed to overcome internal weaknesses and build on internal strengths are included, arising from the findings from the ethnographic research.

As a result organisational change practices were appropriate to this four-step change model. Likewise significant changes in strategic direction were also considered by the employees in the interviews and again there was strong positive correlation with the South Australian public sector reform and renewal themes. As a consequence, strategic changes were also included in the four-step model to change. Thus, the literature review and the findings from the interview questions are closely aligned in regard to their support of the four-step model. Therefore, the four steps are considered as valid components of the proposed model.

This adapted four-step model depicting the organisational change process for public sector agencies also stems from the discussion on ‘Some key traditional models of change’ presented in the literature review and responds to the call by researchers (Zeffane, 1996) for new change designs and new ‘tools’ to be implemented in the fore-mentioned organisations/agencies. The subsequent sections, namely: the effective introduction and communication of the change; the execution and implementation of the organisational change; managing the environment of change; and sustaining the change. explain the components and processes represented in the proposed 4 - step model of change for a government sector agency, in this case, the SATC.

Furthermore, the model is based on the literature pertaining to organisational change and change management, as discussed in the literature review, with specific reference to the SATC. In the context of this discussion, the researcher maintains that if change initiatives are to be successfully introduced in the SATC, the following conditions should be met:

- Employees should feel the need to participate in the change process;

- The change in which employees are involved should be closely related to their own work environments;
- The change initiators have to share information with employees in order to empower them with enough background to embrace the change ;
- Only employees who are directly involved, or employees who are knowledgeable about the change under discussion, should be allowed to participate in decisions regarding the change. Employees who have nothing to do with the issue will only be frustrated and will not be able to participate in a meaningful manner; and
- Employees will not participate in change initiatives if the change initiator does not encourage them to do so.

Also, change initiatives must be seen as a long-range behavioural science strategy for understanding and developing an organisation's workforce in order to improve its effectiveness. Although change initiatives frequently include design, technological, and task changes, their primary focus is on changing people. For example, the vast majority of change efforts within the SATC have been directed mainly at changing the attitudes and behaviours of employees through the process of communication, decision-making and problem solving. This group of change initiatives could include corporate training programs and management development with emphasis given to five specific people-focussed interventions: sensitivity training, survey feedback, process consultation, team building, and inter-group development (Robbins, 1997).

However, there are problems associated with the introduction of new change initiatives in an organisation. Within the SATC, it has been observed that change initiators:

- are sometimes not fully unaware of the intended purpose of the change to be introduced;
- do not always realise how much organisational culture and/or group norms can affect productivity;
- have trouble seeing the contribution of the proposed change in relation to bottom-line considerations like profitability, return on investment, or market share;
- feel the need for change initiatives only in crisis situations resulting in them often being undertaken as a reaction to problems rather than in anticipation of problems;
- expect immediate, and sometimes dramatic results from change initiatives;

- refuse to participate in change initiatives (they may see change as a ‘quick fix strategy’ geared to their subordinates only);
- associate change initiatives as ends-in-themselves rather than as part of a more comprehensive, unified strategy (adapted from Rothwell and Kazanas, 1994, p. 250).

Based on the above discussions, the four-step model presented could be described as strategic in nature because it is comprehensive, future-oriented and integrated with other components of change and change management.

Thus, the primary focus of the four-step model is on changing employees and maintaining that change. It must be stated, however, that employees are living systems and can organise themselves into adaptive patterns without any externally imposed plan or direction.

#### 7.2.1 Step One: The effective introduction and communication of the change

There is widespread agreement in the literature that change and renewal are the two most important aspects of an organisation. When an organisation fails to change and develop, entropy sets in. The organisation will stagnate and eventually die. Consequently, change and renewal can be regarded as essential for the development of an organisation.

In order to understand the management of the SATC, one needs to understand the basic tenets on which contemporary public sector organisations are founded. Public sector organisations are not merely organisations where employees disconnected from each other come and go daily. In every public sector organisation, for example, the SATC, there are particular elements which make up the organisation and each of these needs to be functioning healthily for the whole organisation to be healthy. Any unpleasant element will have a ripple effect throughout the SATC. Thus, the importance of employee development cannot be overemphasised. If effectiveness is the goal and because public sector employees are creative and reactive, they sometimes resist changes that are implemented.

When change occurs, resistance and conflict necessarily follow. In addition to utilising their knowledge and skills in managing change, change initiators within the SATC also have to be able to apply negotiating skills to remove or reduce resistance and conflict that accompany

change. The change process as well as employee development programs need to be managed accordingly in order to help employees to make the paradigm shift within the SATC.

Communication is one of the basic functions of management in any organisation and its importance can hardly be overemphasized. It is a process of transmitting information, ideas, thoughts, opinions and plans between the various parts of an organisation. It is not possible to have human relations without communication. However, good and effective communication is required not only for good human relations but also for good and successful change initiatives.

Effective communication is required at various levels and for various aspects in the SATC such as:

- Manager-employee relations;
- Motivation and employee morale;
- Increased productivity; and
- Employee welfare.

With regard to the latter, it is through communication that employees submit their work reports, comments, grievances and suggestions to management. The SATC should have an effective and speedy communication policy and procedures to avoid delays, misunderstandings, confusion or distortions of facts and to establish harmony among all the concerned employees and departments especially with regard to change initiatives.

With regard to change and change management, it is recommended that from the outset, all employees within the SATC are subject to a detailed explanation of the typology of change. Employees must be aware of and understand that change interventions fall into three main typologies:

- *Top-down change management* is based on the assumption that if managers plan things properly, change can be executed smoothly. The only obstacle comes from resistance on the part of some employees; hence the focus should be on changing the culture of the organisation or the ‘way we do things around here’.



- *Transformational change management* relies on transformational leaders setting a personal example and challenging employees to think ‘outside the box’ and becoming innovative, while providing a safe environment for doing so.
- *Strategic change management* is based on a certain recipe and is in contrast with the top-down models in that it aims to introduce new behaviours at work, allowing employees to witness the benefit for the organisation and, thus, based on the evidence, internalise the change in their ‘ways of working’.

Each of these approaches can be effective, depending on the situation although it is generally accepted in the literature on change that the first category is often the category that fails the most. All approaches highlight the importance of leadership, communications and involving employees in the change process. Thus, the key challenge for public sector organisations is to match the above proposed model to the context of change initiatives.

With regard to the concept of ‘change management’, employees within the SATC must fully understand that the first and most obvious definition of ‘change management’ is that the term refers to the task of managing change. Managing change is itself a term that has at least two meanings. One meaning of ‘managing change’ refers to making changes in a planned and managed or systematic fashion to meet the goals of the SATC. External events may also necessitate organisational change. Hence, managing change relates to responses to changes over which the SATC exercises little or no control, for example, new state or federal legislation. This recognition of the need for timely adjustments to external events has given rise the concept of the ‘learning organization’. The learning organisation is capable of continuous adaptation to the changing external environment.

Secondly, ‘change management’ refers to an area of professional practice and the related body of knowledge that has grown up within and around this subject. Most of the knowledge and practices have been adopted from the private sector. As discussed in the literature review, there are many models of change management thereby making it imperative that organisations focus solely on change within their organisation itself. Also, if one has to argue that change is imminent – either as planned change, or imposed, or affected by external influences, the focus on organisational change management processes and the lessons learnt and practices analysed in this regard cannot be ignored. Once the need and rationale for

change has been established, there has to be good practice amongst all employees within the SATC to affect the change.

Furthermore, SATC employees should be made aware that a review of the organisational structures of public sector agencies in Australia and elsewhere suggests that most remain hierarchical and bureaucratic. This is despite 'devolutionary' trends across the last decade or so that have proclaimed greater autonomy for public sector agencies. However, to the contrary, the plethora of past reforms and restructures of these agencies has not resulted in much change for all. It could be argued that most of these agencies are not self-managing but are highly regulated and controlled emanating from continuing corporate managerialism agendas involving enhanced accountability requirements.

It suggested that if public sector agencies are to move to a new position to respond to a rapidly changing and challenging world, that new approaches to the communication of change are needed. The importance of communicating the proposed change before its implementation cannot be understated because some SATC employees are unaware that most change initiatives in public sector organisations are constituted of four elements:

1. Founding vision: The vision for the organisation, as derived from its founding purposes.
2. Identity: Values and Mission.
3. Configuration design: Strategy, Structure and Culture.
4. Systems of action: Practical, real life systems that facilitate goals and values into action (Limerick et al., 1998, p. 152).

The above four elements can be further developed into five functions necessary for successful public sector reform:

1. *Visioning*: Inspiring images of preferred futures provide the basis for organisational development.
2. *Identity generation*: Distinctive public sector cultures are generated from analysis of organisational change contexts.
3. *Alignment of organisational elements*: Approaches to change and change management, infrastructural design and employee values are sought.

4. *Distribution of power and leadership*: Management leadership and parallel leadership processes are nurtured.
5. *External alliances and networking*: Public sector agencies collaborate with other public sector agencies and similar agencies to enhance their effectiveness (Limerick et al., 1998).

Thus, with specific regard to effective communication of the proposed change, it is important that change initiators within the SATC should have considered the following:

- developing clarity regarding professional values, the nature of the change and how an employee might undertake the change
- developing a set of options informed by organisational priorities, the broader organisational direction and relevant, organisational theory
- undertaking engaged and purposeful communication aimed at creating greater knowledge of the change or adding value to the intended change and the quality of its implementation
- creating a common language as a platform for engaging all employees in the change process
- leading in a manner that encourages creative differences and distinctiveness without prejudice
- acknowledging pertinent ethical considerations regarding the proposed change
- displaying a capacity for reflective appraisal
- identifying, engaging, managing and leading key employees through open communication
- assessing leverage points
- identifying relevant networks within the organisation, and
- setting and implementing accountability mechanisms.

In summary, methods and tools pertaining to *Step 1: The effective introduction and communication of the change*, within the SATC could have included:

1. *Multi-media communications activities*:

Factual information and stakeholder positions should be communicated widely to all concerned parties both internally and externally. All stakeholders have a right to know the

facts and to be assured that the change process is proceeding in a transparent manner. Communications activities could include, for example, information dissemination through mass media, such as newspapers, radio, television and the Internet and informational presentations for interested groups/employees.

*2. Interactive communications and public outreach:*

This includes surveys, report cards, television and radio discussions. There should also be opportunities for the presentation of possible solutions to perceived problems, for sharing of information and for dialogue with external stakeholders. Other two-way activities could include focus group discussions, hotlines, internet chat rooms or web-sites. These are very useful for obtaining ideas and feedback from concerned stakeholders.

*3. Measuring and celebrating progress:*

Much of the change management processes has uncertain outcomes; hence monitoring their impact presents a challenge. Strengthening organisational performance and focusing on process indicators of change can ensure celebrating early wins, create learning and ensure continuous support for change. It is important to recognise that both short-term ‘wins’ and longer-term reform are important. Capacity development initiatives must reinforce progress and allow for corrections where needed which makes the measuring and reporting on progress important. The designing of a results-based framework in this regard is important because all employees are aware of the progress.

### 7.2.2 Step Two: The execution and implementation of the organisational change

This is a listing of some potential tools that may be useful in affecting change management within the SATC. By definition, ‘managing change’ involves the coming together of different aspects of capacity development work – diagnostics, leadership development and organisational development.

Some methods for the execution of future change processed could include:

*1. Process consultation:*

This involves engaging employees to facilitate the change process. The change initiators encourage ‘learning by doing’ thereby fostering organisational learning in contrast to the

normal procedure of focussing on outcomes. Process consultation is beneficial in that the process of learning includes employees making mistakes. It also nurtures the employees' sense of ownership in the change and its process. During this stage, change initiators also seek to build trusting relationships with the employees and seek consensus on the direction of change. They begin with addressing whatever problem the organisation is experiencing at that particular time. This is done in order to gain experience and build trust amongst all employees. Also, change initiators allow the change process to move at its own pace on the basis of the employees' readiness for change rather than providing arbitrary plans and schedules. Nevertheless, change initiators can structure the change process by focusing on decision-making. This entails sequencing activities so as to logically lead to decisions; ensuring open processes to maximize the flow of new ideas and engender commitment from employees.

## *2. Consensus-building exercises:*

As options for change emerge, there is a need to build consensus in the organisation so that decisions can be taken and the change process can move forward. Consensus building activities build constituencies for change to ensure momentum for change is not dissipated by in-fighting among employees about details. These activities can also overcome resistance to change and entail opportunities to discuss or ascertain real versus apparent agendas.

## *3. Employee participation and brainstorming for innovation:*

This well-known technique is essential for generating new options for decision-making and implementation. In the context of wide (diverse) employee participation, brainstorming can surface ideas for discussion across the spectrum of opinion on various issues and possible (creative) solutions.

In addition, change initiators within the SATC could also use a range of tools/techniques to execute and implement the change including:

1. *South Australian Public Sector Reform and Renewal Themes and the South Australian Tourism Directions documents:* These explain in detail the reasons and

strategies for change in the SATC and include frameworks based on specific timelines for the introduction of proposed changes.

2. *Change forecasting*: A plan of action that assists in identifying interventions that promote change and assists in the measurement of employee performance and in the assessment of particular sectors in the SATC where change may take place.
3. *Open Systems Model*: Change initiators could design an open systems model for the SATC whereby a diagnosis of the strategic/organisational environment, and organisational problems can be mapped out.
4. *7-S technique*: This technique will be useful for the SATC. It describes 7 key interdependent organisational variables that need to be taken into account in organisational change. It facilitates understanding of strategy and structure, as well as management style, systems, procedures, skills and values in the organisation.
5. *SWOT analysis*: This is a useful tool for assessing and communicating the current position of the SATC or a particular change option in terms of its internal strengths and weakness and the external opportunities and threats it faces.
6. *Problem Tree Analysis*: This type of analysis, if used, assists in illustrating the linkages between sets of complex issues relating to change and identifies the underlying causes of these issues.
7. *Soft System Methodology (SSM)*: This methodology focuses on facilitating better understanding of issues or problems among employees. SSM is valuable for an organisation like the SATC because it enables the creation of more ideas and opportunities for change that contribute to achieving 'accommodations' between different employees with their differing interests and values (Checkland and Scholes, 1990).
8. *Balanced Scorecard*: This scorecard was originally developed to expand the ways in which organisations measure beyond the financial dimension. Now it has become an effective tool for developing organisational cultural change. The Balanced Scorecard approach involves the tracking of four different types of measures in an organisation: financial measures, customer measures, internal business (process) measures, and innovation and learning measures. If using this approach, an organisation, like the SATC, will be able to identify corporate objectives within each of the four above-mentioned categories. The organisation will then align its management hierarchy by assigning each manager his or her own scorecard with more specific objectives with

relation to change in each of the four categories. Properly used, the system focusses every manager on a balanced set of performance measures (Kaplan and Norton, 1992) thereby assisting in the execution and implementation of change.

9. *Content, context and process model*: This model could prove beneficial to the SATC in that it helps identify factors important for shaping the organisations' performance with regard to change and provides diagnostic checklists which can be used to assess the likely reception of a particular change in a specific locale.
10. *Stakeholder management*: This is a technique to identify the employees or groups in the organisation who will be affected by the changes or have the ability to impact on the change process. It also helps develop a strategy to manage these stakeholders.

To summarise, change initiators' knowledge and experience of executing and implementing change comes not only from organisational development but also from a range of other related disciplines. The tools/techniques mentioned in the above discussions stem from a wide range of literature on change management from the private sector and allied literature from the public sector.

For SATC change initiators, executing and implementing successful organisational change strategies must attempt to improve the acceptance of the change so that results will be defined, acceptable, achievable and sustainable by all employees. Strategies adopted must attempt to improve implementation processes in order to strengthen employee relationships and ownership of results among all stakeholders thereby resulting in greater acceptance of the change. Thus, irrespective of its causes (internal /external factors), the manner it is undertaken (planned/imposed) and the combination of techniques used (hard system change/soft system change), the successful execution and implementation of change is very important

### 7.2.3 Step Three: Managing the environment of change

According to Fullan and Miles (1999), change initiatives do not run themselves. They require that substantial effort be devoted to such tasks as monitoring implementation, keeping everyone informed of what is happening, linking multiple-change projects (typical in the SATC), locating unsolved problems, and taking clear coping action.

Clearly, SATC change initiators need to understand the external influences that affect both best practice and their organisation's business needs. While many public sector organisations will be affected by the same external influences, such as those which impact the economic environment generally, change initiators will also be expected to appreciate factors that specifically impact their organisations (Fletcher, 1998, p. 111). It is for this reason that change initiators in the SATC must create the momentum for change by making their case for change, visioning the future, empowering employees and introducing voicing activities that the SATC board members should principally act upon. To elaborate, visioning will enable all employees within the SATC to review fundamental questions in order to generate a vision for the future. *Visioning* can be regarded as a strategic planning process, comprising four fundamental questions: 'Where are we now? Where are we going? Where do we want to be?' and 'How are we going to get there?' *Visioning* seeks to create consensus and commitment among all employees to a vision for the future. Defining a *vision* and having a broad consensus on goals and values to guide organisational change is an essential step in managing the change. It is critical to building support for change among employees and within the organisation itself. Such *visioning* can precede a change management exercise. These can even be the alignment of longer term vision and values – a key component of managing change. Furthermore, the empowerment of employees and the introduction of voicing activities will aid in strengthening the introduced change because it considers the voices of employees that may be discriminated against or are otherwise disadvantaged within the SATC. Empowerment and voicing activities will enable the latter to make their views known and change initiators can implement suitable strategies to mobilise and manage their support for the change agenda.

When managing the change, change initiators within the SATC must also take cognisance of the fact that the different stages of change (denial, commitment, resistance and exploration) require different strategies (Hannagan, 1998). At the denial stage, information and has to be provided, time given in order to explain this information and suggest action. At the resistance stage, change initiators have an acceptance of employee's responses and encourage support. If employees tell change initiators how they feel, the change initiator can be helped to respond effectively. In the exploration stage, there can be a concentration on priorities, training can be provided and planning for this should take place. There is then a commitment stage where long-term goals can be established with a concentration on team-building. Thus,



managing the change process could also include analysing the change context, for example, diagnosing issues of who wins, who loses, organisational policy issues, data collection and analysis, and operations research on problems. To elaborate, management of the change becomes easier when employees' knowledge, attitudes and practices regarding the change are analysed in order to classify them in terms of their functional roles within the organisation. The primary aspect of managing the change here is to assess which employees are more likely to gain from the change and those most likely to lose. To prevent those employees (losers) acting as dampeners on change, it is important for SATC change initiators to find areas where a win-win for all employees can be demonstrated. A SWOT analysis (strengths, weaknesses, opportunities, threats) could be an alternative approach to direct employee analysis. A clear understanding of the positions of the various employees in the SATC is essential for effective management of the change.

SATC change initiators must also understand that the management of change cannot, in itself, be divorced from general management theories. The management style within any organisation will directly influence the success of change initiatives. Management style is influenced by the underlying values of the particular government sector agency. It is important, therefore, to match style, culture and values to the objectives and processes of change (Fletcher, 1998). Thus, for change to be effective, goals should be set before the change effort is started. If possible, these should be (a) realistically attainable; (b) stated in clear and measurable terms; (c) consistent with the organisation's overall goals and policies; and (d) attainable (Hellriegel et al., 2002, p. 323).

Meeting the above four criteria will make managing the change a less difficult task for the change initiators within the SATC. Furthermore, change initiators within the SATC must realise that when faced with change in their organisation, some employees will often attempt to deal with the situation by searching for areas of change they can understand and cope with in terms of the existing culture. They will attempt to minimise the extent to which they are faced with uncertainty by looking for what is familiar. As a result, few planned organisational change efforts go as smoothly as change initiators would like (Hannagan, 1998). Most run into some amount of resistance.

To deal successfully with resistance, change initiators must learn to anticipate it and then head it off, if at all possible (Hellriegel et al., 2002). Failure to address the issue of resistance will most certainly lead to the failure of the change initiative. Thus, it is imperative that SATC change initiators have substantial knowledge of the different strategies dealing with resistance to change as this will make managing the change more effective.

From the findings of this case study, this researcher recommends that SATC change initiators explain the prerequisites listed below for successful management and implementation of change to all employees in the organisation. By doing so, it will lead to a greater understanding of the change and enhance the management of the change:

1. Commitment to the change by all Board members and by a critical mass among the employees;
2. A clear and desirable vision of what the SATC will be like once the change is completed;
3. Clear-cut strategic goals to be reached as the SATC undergoes the change process, and milestones should be established to guide the path of change;
4. Detailed tactical plans made available in understandable language to all who are to participate in the change process;
5. Training provided for those employees who are to initiate and/or manage the change, if they do not possess the required knowledge or skills;
6. Adequate time, finance and material and human resources provided to enhance the probability of successful change;
7. High-quality, comprehensive and frequent two-way communication throughout the entire change process;
8. Adjustments to the tactical or strategic plans be made during the formative period of the change process, if changes are required during the initiation and implementation stages of change; and
9. Change initiators give recognition to all who do good work, and he/she should attend group celebrations every time an important milestone is reached (adapted from Herman and Herman, 1994, p. 3).

Coupled with the above, there appear to be several other essential requirements required for the successful management of change. These include the following:

- The management of change occurs best when a cross-group (consisting of, say, employees, clients, service providers, government officials) is allowed to take part in the management of the change process. In such a group, different worlds collide, more learning occurs, and change is realistically managed;
- The cross-role group needs legitimacy – i.e. a clear licence to steer. It needs an explicit contract, widely understood in the organisation, as to the kinds of decisions it can make and what money it can spend; and
- Empowerment has its problems, and co-operation is required to solve them. Everyone has to learn to take the initiative instead of complaining, to trust colleagues, to live with ambiguity, to face the fact that shared decisions mean conflict. Change initiators have to rise above the fear of losing control, and they have to hone new skills: initiating actions firmly without being seen as ‘controlling’; and supporting others without taking over for them. (adapted from Fullan and Miles, 1999, p. 83).

In addition, successful change management requires problem-finding techniques like ‘worry lists’ and regular review of problem solving decisions at subsequent meetings to see what happened. Since circumstances and contexts are constantly changing, sometimes in surprising ways, an embedded spirit of constant inquiry is essential (Fullan and Miles, 1999).

#### 7.2.4 Step Four: Sustaining the change

Dunne (2006) states that sustaining change within organisations depends greatly upon:

1. Leadership within the organisation presenting at all times to employees indisputable evidence for the need to change and articulating a vision for the future of the organisation that is realistic, credible, attractive and consistent with the core values of the organisation. By doing so, leadership is most likely to gain the commitment of employees to the change process (Collins, 2001; Kotter, 1996; Limerick et al., 2000; Schein, 1992);
2. Change initiators demonstrating that they live the change vision by establishing a work environment that promotes collaboration, provides support, encourages open and honest communication, has a bias for employees to reflect on their actions, and empowers all employees within the organisation (Handy, 1989; Kotter, 1996; Limerick, Passfield and Cunningham, 1994; Schein, 1992; Senge, 1990a; 1990b); and

3. Change initiators engaging employees in disciplined thought so as to undertake disciplined work action in order to develop an organization's core competencies. In other words, employees must be afforded opportunities to collaborate, learn, absorb and execute change processes within the organisation on a continual basis (Collins, 2001; Hamel, 2000; Kotter, 1996; Senge et al., 1999).

Thus, in order for any change to be sustained successfully within the organisation, the following prerequisites are essential:

- The organisation must nurture learning.
- Its leadership must be inclusive, supportive and proactive.
- The organisation must promote a culture of individual responsibility and team accountability.
- The organisation must and adopt structures that promote collaboration and open communication.
- The organisation must promote the development of the capacities to generate and apply new knowledge effectively by emphasising the presence of a shared vision, acknowledging commitment and developing the skills to participate (Dunne, 2006).

It must also be stated that most change initiatives fail because change initiators fail to address the 'barriers to breakdown'. To explain, implementing new change initiatives involves moving from the current functional phase into the next advanced operating phase. This process is both difficult for the organisation as well as employees. This issue is reiterated by Gardner (2004) who states that implementing significant change in organisations is a difficult process and often, organisational dynamics tend to prevent change initiatives. Thus, it is imperative that change initiators are *au fait* with mechanisms to overcome breakdowns with regard to change management.

In essence, some of the breakdowns in sustaining the change are resultant of the following:

*1. Change management in its development is not understood:*

In this instance, the issue of organisational change is accorded relatively light treatment in practical development situations. Employees have little understanding of the issue and are not conversant with the language used to articulate the organisational change issues. Conversely,

there is insufficient understanding of the development context, in particular, the constraints embedded in bureaucratic systems, organisational culture and the structure of human interactions within the organisation. All of these can be regarded as a stumbling block to change management processes. It is recommended that change initiators define a clear vision for the change initiative. How it impacts the larger development goals of the organisation is a necessary place to start.

## *2. Change management is unguided:*

Organisational change is hard to conceptualise for some public sector organisations and harder to apply. It is recommended that codification of empirical knowledge to guide the employees involved be implemented. This becomes a huge boon to the process. Through the codification of empirical knowledge, employees responsible for managing the change become engaged in issues related to exploration, risk, discovery and change without the need for comprehensive maps for guidance (Senge, 1999a, 1999b).

Thus, it is recommended that change initiators map the change management process steps, ensure that it is consulted on, widely disseminated and agreed to.

Also, beyond the mapping of process steps, guiding the process step-by-step is critical to its success, with change initiators playing the primary role and facilitated by chosen employees as required. It is also recommended that external consultants be engaged because they can produce technical ‘deliverables’ as and when required. There is also a need for development practitioners and consultants with skills in the areas of process facilitation for coaching, leadership development, management development and change management training. This is an area of capacity development expertise, and can be teamed with the needed sector or theme-specific technical expertise.

## *3. Change management results are unpredictable:*

Change management exercises are highly unpredictable in terms of what they achieve. Experts agree that most change projects fail. Pascale (1999) suggested this was the case for 80 per cent of change programs. Change initiators maintain that there are several causes that can derail change efforts. However, what we do know is that change management shifts roles

and capacities for different employees, which in turn shifts the existing bases of power. Thus, it is recommended that change initiators build in risk assessments and account for such initial instability, while managing its boundaries through managing employees' expectations and concerns. For change initiators, this is a necessary part of the organisational change strategy.

It is also recommended that change initiators put in place clear and consistent messages regarding the change process, have regular and open employee consultations, encourage the airing of grievances, and put in place feedback and learning mechanisms to enable adaptation during the course of the change process. These actions are essential to more effective change management processes.

#### *4. Change management is not supported:*

Failure to motivate or convince leadership and middle management of the need for change often leads to the unravelling of a change process, and certainly does not achieve and sustain the intended results.

It is recommended that a key result could be one that requires a cross-departmental response that needs the buy-in of all employees. For example, the SATC needed a unified framework and reporting format aimed to facilitate result outcomes for all its divisions, for example, strategic planning, marketing and advertising. In this case, the need here is to focus on facilitating teams and divisions for introducing such a systematic change within the organisation.

#### *5. Change management results cannot be sustained:*

It is often difficult for change initiators to persevere and maintain focus on the change initiative. Where this is seen not to be working, a focussed effort to nurture the change environment and reward incremental successes is recommended. Also, addressing identifiable gaps in change processes is essential for the sustainment of public sector development. From the lens of the change initiator, the gaps are often the lack of adequate understanding and know-how of managing change in organisations. Investments in capacity development in the form of training, coaching, mentoring, leadership development and incentives are essentially founded on weak grounds.

It is recommended that developing leadership skills, clarifying roles and getting employees on board are all necessary for successful change interventions.

## 6. *Barriers to change*

Table 7.2 highlights the barriers to change from organizational and individual perspectives, and from inappropriate actions in change management.

**Table 7. 1 Barriers to change**

<p>1. Organisational barriers to change</p> <ul style="list-style-type: none"> <li>• structural inertia;</li> <li>• existing power structures; resistance from work groups; and</li> <li>• failure of previous change initiatives.</li> </ul>
<p>2. Individual barriers to change</p> <ul style="list-style-type: none"> <li>• tradition and set ways;</li> <li>• loyalty to existing relationships;</li> <li>• failure to accept the need for change;</li> <li>• insecurity;</li> <li>• preference for the existing arrangements;</li> <li>• break up of work groups; different person ambitions;</li> <li>• fear of loss of power; fear of loss of skills;</li> <li>• fear of loss of income;</li> <li>• fear of the unknown;</li> <li>• redundancy; and</li> <li>• the ability to perform as well in the new situation</li> </ul>
<p>3. Inappropriate change management</p> <ul style="list-style-type: none"> <li>• change is often resisted because of failures in the way it is introduced;</li> <li>• failure to explain the need for change;</li> <li>• failure to provide information;</li> <li>• failure to consult, negotiate and offer support and training; lack of involvement in the change process;</li> <li>• failure to build trust and sense of security; and poor employee relations) are contributing factors to resistance to change.</li> </ul>

Source: Adapted from Kotter and Schlesinger (1979)

## 7. *'Resistance to change'*

In addition to addressing the issue of 'barriers to change', the issue of 'resistance' must also be addressed. As discussed in the literature review, some degree of resistance to change is

commonplace in public sector organisations since the change initiatives could be either disruptive or stressful. Basically, there are four reasons why change is resisted:

- Parochial self-interest (employees are more concerned with the implications of change for themselves).
- Misunderstanding (communication problems and inadequate information).
- Low tolerance of change (sense of insecurity and different assessment of the situation).
- Disagreement over the need for change (disagreement over the advantages and disadvantages) (Kotter and Schlesinger, 1979).

Thus, the issue of employee resistance continues to be evident in some public sector organisations. This is resultant of the fact that many public sector organisations are primarily concerned with getting things done efficiently and effectively with little attention being paid to the actual change processes. In essence, they fail to respond to the different ways of doing old things in a new way. It is for this reason that when there is an increased introduction and use of new change management strategies and methods in the organisation, these are often resisted by some employees because the change initiatives are not adequately explained in terms of the expected results and outcomes.

Whilst many employees may argue that the introduced change and the actual outcomes capacity are distinct, the evidence suggests that they are intertwined. Hence, it is important for the change initiators to explain what aspects of the status quo are to be changed so that employees can embrace the change. Thus, it is important for employees to identify the boundaries of change management and also to examine the risks and potential mitigation that the change might bring. By doing so, any organisational expectations can be managed accordingly with the least amount of resistance being offered by some employees.

Furthermore, the different role-players in the change process have different powers and exert different influences on employees. Thus, there is a risk that the introduced change in the organisation may represent a 'political fix' (in the case of the SATC, the state government) or a response to change initiator pressure as 'external drivers for change' without a genuine commitment. This risks the success of the change effort. It is recommended that the introduced change needs to have a powerful guiding coalition and endogenous support. Thus,



it is essential that attention is paid to the power relations and current dynamics in the organisation, as well as taking a more objective look at the philosophy for change because this issue can either foster greater resistance on the part of employees or assist in reducing levels of resistance.

To summarise, it can be argued the change initiatives that aim to change the culture of the public sector organisation are difficult to implement because of the inherent difficulty in uncovering the informal systems that guide employees' behaviour. For any model of change that facilitates the most effective use of employees to achieve organisational and individual goals, it is important that change initiators:

- Help the organisation reach its goals;
- Employ the skills and abilities of the workforce efficiently;
- Develop within the organisation, well-trained and well-motivated employees;
- Increase to the fullest, employees' job satisfaction and self-actualisation;
- Develop and maintain the quality of life work that makes employment in the organisation desirable;
- Communicate human resource practices to all employees;
- Help to maintain ethical policies and socially responsible behavior; and
- Manage change to the mutual advantage of individuals, groups, the organisation and the public (Ivancevich, 1998).

Thus, it is imperative that change initiators, when addressing the issue of change in the organisation:

- Measure actions against the objectives of the organisation as a whole;
- Emphasise the central importance of managers;
- Advocate and customise individual responses to the change intervention;
- Focus on positive motivation rather than negative control;
- Use process rather than standardised procedures;
- Are proactive rather than reactive;
- Are fully involved with the day-to-day management of the organization; and
- Encourage purposeful negotiation and the resolution of potential conflict between those managing and those being managed (Middlewood and Lumby, 1998, p. 9).

Most of the above viewpoints echoed were evident in the data collected during the interviews.

### 7.3 Limitations and Scope for Further Study

Although the findings of this research study indicate strongly that collaborative participation of employees in the change process will lead to more positive relationships within government sector organisations, and thus embrace a willingness to change, it would be more significant if these findings could be generalised to other government sector organisations and not limited to the SATC. For this reason, it is suggested that any public sector employee wanting to embark on research of a higher academic nature use this study as a foundation on which to build further knowledge pertaining to change and change management in their organisation.

While the initial intention of this study was to conduct research in other government sector organisations, the time limit and funding did not allow this. Furthermore, responses gleaned from both the formal and informal interviews at times did not fully support the viewpoints echoed when the researcher re-visited the site.

Prospective researchers in the arena of public sector reform must also be alerted to the fact that where change management is concerned, the choice of methodology is important. It might be argued that the methodology implemented in this research study did not provide the same depth of data as other qualitative longitudinal research might have done (Sarantakos, 2005). According to Stacey (2003), in heterogeneous complex adaptive organisations where the work environment and employees are changing all the time, causality is more transformative. An organisation takes on a life of its own and ‘wholeness’ is never fully achievable.

Factors such as structure and the specific type of government sector organisation, as well as the size of the organisation, should be further investigated. The educational qualifications and work experiences of the employees participating in the change management processes should also be considered, and the precise influences of these factors need further investigation. It is

for this reason that the researcher maintains that the methodology implemented should suit the purpose of the investigation.

## 7.4 Conclusion

This research sought to determine how public sector employees understand current change and change management based on their experience of change processes and practices within their organisation. This case study was undertaken with internal stakeholders (employees) within the South Australian Tourism Commission and focused on the effects of change and change management using interviews as a means of data collection to ascertain employees' understanding of change and change management.

Another primary objective of the case study was to identify employees' attitudes, fears and beliefs about change and change management through an examination of the level of acceptance, resistance or complacency that employees reported with change and change management in their organisation.

It was anticipated that the findings from this case study would provide a better understanding of change and change management and that this knowledge would provide a positive contribution to the understanding of how change is understood in a public sector organisation.

An analysis of both the formal and informal interviews demonstrated that the employees held some very clear views. In summary, the understandings of employees reflected that:

- Change was a complex processes.
- Change was not easily understood by all employees throughout all levels of the organisation and remains difficult.
- Confusion regarding requirements and purposes sometime causes negativity.
- Positive, skilled managers make change processes easier.
- Employee participation is greatly influenced by the skills and personal style of those directing the change and directly managing them.
- For those who viewed the change positively, there was a general sense that this was a resultant of good communication in the organisation.

- For those who viewed the change as difficult, communication was viewed from a negative perspective including both the lack of communication, and an inability of managers to communicate at a personal level.
- Strategic direction, commitment to the established direction, the ability to communicate with employees and a belief that employees should be involved in the processes of change were all expressed as expected behaviours of managers and senior managers.
- Employees wanted all managers to be capable and willing to lead change in an open and committed manner, take a humanistic approach with employees, have the necessary skills to implement change, and should be clear of their role in the change process.
- Interaction among all levels of staff should be encouraged to create opportunities for relationship development whereby trust and respect would be earned through action.

In essence, employees' understandings with regard to change and change processes within the organisation could be categorised broadly under the four categories, namely strategic efficiencies; organisational unity; skills and capabilities; and humanistic application. These categories are also fully represented in the four-step model discussed earlier in the chapter. Within each category, employees were in favour of:

1. **Strategic efficiencies:** the formation of focus groups to discuss change; follow-up meetings to discuss change initiatives; smaller group discussions; regular meetings; workshops relating to leading, communicating, participating and consultation; ownership of the change process; greater involvement with change; the opportunity for direct questioning; management checking with employees before decisions are made; building and maintaining trust among all employees; constant feedback from management; and regular individual feedback.
2. **Organisational unity:** all employees working for the same side; homogenous entities with the organisation; demonstrated commitment and support; elimination of traditions and cultural conflict; joint involvement; alignment of change and organisational culture; and the same rules for everybody.
3. **Skills and capabilities:** specifically, managers should have a good rapport with staff; engage in clear communication; have people skills; talk and listen to

employees; discuss, encourage, and support employees; refrain from engaging in an old school approach; be flexible; and change old practices.

4. **Humanistic approach:** the organisation concentrating on attention; closeness; talking; being empathetic; nurturing; encourage personal discussions; be approachable; encourage direct contact, positive behaviour and good rapport; and provide more opportunities for social activities.

Recent changes have revolutionised the way work is performed. Half a century ago, employees entered a vocation, and practiced that work for a lifetime. Today, with change impacting every job and the way everyone works, employees can no longer learn a trade and rely on those skills to last for a lifetime of employment. Organisations are now looking to employees to keep pace with change, anticipate changes and even create some of the change (Buhler, 2000). Thus, it is not surprising that:

In this transition, employees and organisations are struggling with ambiguity, anxiety, low morale, shifting loyalty, more pressure, more stress, less control, more work, greater distractions, untapped potential, and growing frustration (Cashman and Feldman, 1995, p. 15).

Evidently, change has become the dominant factor of organisational life. How to change?, what to change? and the impact of change on employees are the guiding concerns of contemporary organisations. This case study provides an understanding of what employees believe would create effective change.

In conclusion, this case study provides evidence-based insights about the complexity of change and change management from a public sector employee perspective. The Four-Step Model can be used to further develop effective frameworks or models for change and change management.

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## **APPENDIX 1**

### **Research Questions – Formal Interviews**

1. How did employees within the SATC view processes and practices within the current work dynamics of their organisation?
2. What were employees' understanding of the definitions of change and change management within the SATC?
3. What were employees' experiences of change and change management within the SATC?
4. What were employees' understanding of the term 'resistance to change' and the reasons as to whether employees resisted change initiatives in the SATC or not?
5. What role does 'communication' play in the introduction and implementation of change and change management within the SATC?
6. What role do managers/change initiators play in the change process within the SATC?
7. How do employees view change and change management from a critical – bureaucratic or non-bureaucratic – perspective?

The secondary questions that informed the main research questions were:

8. What was the employees' expected role in the change process with regard to the change initiatives being implemented in the SATC?
9. To what extent were SATC employees afforded opportunities to contribute their expectations prior to, during and after the change process?
10. What were the contributing factors to public sector reform and organisational and managerial change initiatives within the SATC?
11. Thus, the encompassing research question for this study is: What are employees' understanding of change and change management in the SATC?