How Not To Do Change Management

The Birth of a Murdoch University School

Dianne van Rhyn and David A Holloway

The creation of Murdoch University's Business Skill was a textbook case-study in how not to do change management. The result was a barely-averted disaster. Diane van Rhyn and David Holloway look at why.

Universities in Australia, as part of the public sector and reliant on public funding, are increasingly the subject of pressure for greater accountability and organisational change. The role of senior managers in the sector is often to be change agents and to manage the change process effectively. However the implementation of any change envisaged is often problematic for various reasons including issues of power, resistance, emotional reaction and plain fear (Hay and Hartel, 2000; Smith, 1998; Kimberley, 1998). Senior managers and associated change agents need to be aware of this and need to act sensitively and empathically if the planned change process is to succeed.

This paper chronicles the change process utilized within Murdoch University that resulted in the creation of a nascent School during the period from early 2001 through to its creation in January 2002 and its subsequent re-transformation by the beginning of 2003.[1] It argues for an organisational change approach that has active staff/employee involvement and ownership of the process in order to nurture real engagement with the outcome(s) and to minimise resistance to change, which Maurer argues is the '…little-recognised but critically important contributor' to the failure of many change efforts (1996, p.56).

The organisational component of the paper is written primarily as a textual analysis of the discourse (verbal and written) that occurred during the change process. Field notes of the two authors, who were among the main participants, are used as a major source for the analysis. Other participants have not been interviewed at this stage. Those interviews and findings will be analysed and reported in another paper.

EMANCIPATORY ACTION RESEARCH

This change management project is one we would classify as emancipatory action research, where the researcher is an integral part of the process and the end aim is change in the system itself. It therefore has a critical inquiry edge (Crotty, 1998). The researcher(s) effectively become co-researchers with other people from within the organisation with responsibility for the project shared by everyone (Carson et al., 2001, pp. 167-168). In a business or university domain, this tends to encourage new ways of thinking that lead to restructuring processes and attempts to deliver systemic improvements.

This type of action research, as a technique, focuses on the notion that social science research has some identified form of usefulness to society. It is a research approach whereby a group of individuals collaborate with the intent of improving their work processes. One of the oldest and most sustaining definitions available is by Rappoport:

> Action research aims to contribute both to the practical concerns of people in an immediate problematic situation and to the goals of social science by a joint collaboration within a mutually acceptable ethical framework (1970, p. 449).

The process encompasses a cycle of planning, acting, observing and ongoing reflection upon what has happened within the project. In this case the cycle took two years and the anticipated public launch of the School has not occurred. The subsequent changes in the administrative structure of the Division would most likely account for the "non launch".

TRADITIONAL CHANGE MANAGEMENT APPROACH

For a number of decades the dominant paradigm has been the traditional change management approach. It is best represented by the viewpoint that leaders and managers are solely responsible for making the key decisions within an organisation and are also accountable for ensuring successful change management processes. The focus in the literature is about

managing the transition and specifically overcoming resistance to change (Hay and Hartel, 2000; Maurer 1996; Tichy, 1983; Quinn, 1978; March and Simon, 1958). Senior managers 'worry a lot' about change but too few of these concerns are focused on building rapport with the affected staff. Much of the focus instead is with providing legitimate justification for the need for the change. They avoid dealing with the tougher issues of staff perception of hidden agendas and unsurfaced rationale(s) rooted in self-interest and the exercise of managerial power.

Change is inevitable, but the key concern is how a modern organisation handles that change, or intention to change, process. Contemporary literature openly acknowledges that change will encounter barriers of resistance and that there is a need to overcome this resistance.[2] This concern is significant because the literature is fully cognisant of power and self-interest issues that can taint and effectively corrupt the process of change management such that the end outcome(s) are problematic.[3] There is a hint of manipulation in the practitioner and academic 'how to' literature as it first highlights the concerns then provides the formulae to enable managers to successfully pursue change strategies. These remain primarily top-down processes that effectively disempower those who are affected. The change can be a form of *fait accompli* with options for staff reduced to the basic choice of either accept the change or leave the organisation.

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Resistance to change (once seen as inevitable) when manifested can be resolved through a number of mechanisms. Argyris and Kaplan's (1994) study of the implementation of activity based costing identified three processes to overcome barriers to change that exist at the individual, group, intergroup and organisational levels. These included education and training to explain the need for change and reduce fear of the unknown; sponsorship of the process by key individuals who then persuade others; and, alignment of incentives such that systems and structures reward and reinforce effective change. Chang and Wiebe (1996) in their study of implementing innovative technical initiatives on Total Quality Management have also reported similar mechanisms. One of the latest monographs (Graetz et al., 2002) devotes several chapters to the need for being aware of and managing resistance but still clearly reveals that despite all this valiant management effort:

> Many more organisations fail to overcome resistance than succeed. While some experience a meteoric rise over resistance, some continue to struggle quietly and others fold unexpectedly. The history of change management in Australian organisations would probably read more like a punctuated equilibrium. (p. 268)

There is a need for an approach to change management that is both ethically acceptable and has high(er) success rates for those organisations that find themselves having to negotiate the shoals and reefs of the change process. The next section of the paper identifies such an approach and the final section documents how this was used to frustrate and alter a management agenda within an organisational restructure that resulted in the School's creation.

PARTICIPATIVE CHANGE MANAGEMENT APPROACH

There is a need to alter the approach and shift the focus within the extant literature with its prescriptive edge that attempts to deliver more successful change management and implementation with the concomitant emphasis on identifying and overcoming employee resistance (Waldersee and Griffiths, 1997; Clarke, 1994; Kanter, Stein and Jick, 1992; Carnall, 1990). The alternative is to involve employees from the beginning by permitting and encouraging active involvement, full participation in and psychological ownership of the change process. This would act as an effective counterfoil to the shortcomings of management '…failing to communicate a vision, planning problems, not matching vision with processes, not being committed to the change process, failing to lead by example, demonstrating inconsistencies of attitudes to change' (Waldersee and Griffiths, 1997, p. 10).

The first step is to rethink the existing negative notion of resistance. Waddell and Sohal (1998, p. 5) argue that one should consider the utility of resistance in '…injecting energy into the change process' and that it '…encourages the search for alternative methods and outcomes in order to synthesise the conflicting opinions that may exist.' This means that resistance can be a positive force and a critical source of innovation during a change process to ensure that many more possibilities are examined and evaluated closely.[4] What we advocate then is to recast the notion of resistance so that it is viewed instead as the active encouragement of constructive conflict. This avoids what can happen if overt resistance is itself merely resisted and battered down (usually by information overload) by senior managers. This resistance can become more intense and covert, effectively derailing the change process.

The next step is to utilise an action framework that has a collective and collaborative approach to decision-making and the change process. The management role becomes one of facilitation not the usual top-down dictatorial change management decision-making process. The intellectual underpinning for this move comes from action learning and action research methodologies, which are oriented to both change

and learning/research within organisations. They are participative and egalitarian and have a problem/solution orientation that is recursive (cyclic in nature). As a result they are empowering, engender greater ownership of the outcome(s) and are also reflexive, flexible and responsive to the organisational context and constraints (Sankaran et al., 2001).

Under this approach the affected employees form groups that are empowered to consider, debate alternatives, construct outcome(s) and actively engage in and manage the change process from both a bottom up and a top down perspective. Senior managers and employees are equal and active participants in the change process. The result is a more effective organisational change with enhanced employee engagement in, and ownership of, the outcome(s) and minimising, if not eliminating, resistance.

RESTRUCTURING AND CHANGE - INITIAL DESPAIR CHANGE THE SOCIAL, CHANGE THE CORPORATE AND MUTILATE THE INSTITUTION

Site and Background

Murdoch University is one of four public universities and one private university located in Perth, WA.[5] It is the smallest in size of the public universities with three campuses: the main campus at South Street and satellites at Rockingham and Peel. In 2003 there were 8,469 equivalent full time students (12,611 enrolments) supported by 470 full-time academic and 696 full-time administrative staff. The majority of students are non-school leavers forming nearly sixty percent of the student population (Murdoch University, 2004).

Murdoch University has an organisational hierarchy that consists of a number of Divisions both academic and administrative. The University consists of three academic divisions and nineteen discipline-based schools, which form the core of the academic organisational units (AOUs). The Schools operate with a Head of School in the day-to-day management role. The University is not unusual or unique in this respect (Murdoch University, 2003: 2002 Annual Report).

The School discussed in this paper was once two schools and the permanent Head of one school had for many years assumed the dual mantle as a member of senior management and Head of one of the two original Schools. A senior management structural change within the University separated the roles of the two positions, and in the latter days of the former Schools the School Head was no longer part of the senior management. There was for many years a general acceptance of the prevailing style of management, leadership, and program development. The style prevailed during an entrepreneurial time in the university's life, but these perceptions were limiting. They limited the questioning of past business and management practices and behaviours that should have been scrutinised at the time with greater rigour.

Both original schools had operated for years with relative internal stability. The original schools became AOUs of significant private and public disquiet after the appointment of a new member of senior management in early 2001. During the following two years many of the practical aspects of managing the two original schools and the nascent merged School altered significantly. It was most unforgiving on the staff of the AOUs that the restructuring and subsequent merger of the two Schools was extended over a period of two years.

Development of Despair

A previous Vice-Chancellor of the university openly acknowledged and favoured a top-down managerialist approach to decision-making which was instrumental in the appointment of this new member of senior management. This approach is not uncommon in the sector; indeed managerialism (the borrowing of private sector management thinking into the public sector) is dominant in Australian Universities (Stewart, 1997; Coaldrake, 1995; de Boer and Goedegeburre, 1995). Stewart explicitly points out that 'University decision-making structures encourage lots of fights about the little things, while the important decisions - such as shutting down departments or opening a campus in Bangladesh - are made by senior managers who may or may not know what they are doing' (1997, p. 36). The university executive placed significant performance expectations on the 2001 appointee and consequently these were reflected in the incumbent's management approach and outcomes.

The initial approach was gender inclusive and consultative but a series of events clearly showed that on issues of corporate change the approach was outcome and top-down focussed. During the early months of the appointment, there was very little public discussion on the topic of new policies or organisational restructuring. However, there were many rumours of impending significant change. By the time of a corporate Divisional strategic planning day in early 2001 there was ample opportunity for a collective outpouring of dissent and heightened resistance by staff. In part the planning day itself created the resistance, there was strong reaction to the enforced process, to the directed approach of the day's debates and to the opportunity of anonymity to 'vent one's spleen'. Indeed the disharmony was so extensive that it is a reasonable conjecture for this to explain the delay in the distribution of the planning day report until some four months later.

During August and prior to the circulation of the strategic planning report the senior manager announced immanent restructure of the Division. A restructure had not been mooted nor discussed at the planning day. An external consultant was appointed by the senior manager and was charged with the following brief to establish '… where the AOU wishes to place itself in the educational market, identify the research focus, examine the disparate size of Schools and maximise its synergies' (Murdoch University, 15 August 2001).

An Emeritus Professor from within the Division was appointed as the external consultant and the facilitator for the academic restructure. In its own right this was a controversial appointment, the individual had a perceived antagonistic position to the continued existence of certain Schools within the Division. When pushed for justification for a restructure the response by the facilitator was '…to diminish the power of one School' (van Rhyn, 2001). The 'consultation' was one of limited dialogue, with many of the existing managers and staff omitted from the process. The subsequent report (issued at the end of September) was as expected: it recommended the re-establishment of the power base of one discipline area by 'carving' up one of the original schools.[6] The reaction to the report was naturally negative-it resulted in a number of staff having individual in-depth discussions with the senior manager -questioning the legitimacy of the process and therefore the proposed outcomes. The extent of this feedback provided the rationale for the senior manager to abandon the report and introduce another agenda not previously publicly known, the creation of a new School.

In early November 2001 an invitation was sent by the senior manager to all staff in the Division to meet and discuss restructuring possibilities for the Division. However, before the actual meeting limitations were placed on the attendance of staff, only staff from the affected Schools could attend. At the actual meeting, assembled staff were extensively briefed by the senior manager on the future scenarios facing this section of the university. The resultant recommendation endorsed an "in principle agreement and further discussion" for the creation of the new School.[7] A school which would become the largest school in the university and an outcome at odds with the earlier report of the external consultant.

The very next day an email was sent by the senior manager to the then Vice-Chancellor (with wide circulation) using phrases such as '…following extensive staff consultation' and '…a decision was taken yesterday…to form a new …School …to take effect from 1 January 2002' (Senior Manager, 14 November 2001). The email effectively announced the creation of the new School. However, the general consensus of staff that were present was that the agreement reached was for the construction of a 'virtual' School. A virtual school would permit continued discussion about the future of the change outcomes.[8]

This was the low point of the change management process, when despair seemed most pervasive and staff morale at rock bottom. The saga to date was consistent with the literature, a classic one of a top down change management process which was on the verge of a significant breakdown because of the continued alienation of staff from any meaningful engagement with the process (Maurer, 1996). There was now serious resistance from all staff, academic and administrative, to any form of organisational change.

RENAISSANCE

Concern about low morale and demoralisation forced the other Heads of Schools within the Division and a number of senior staff to meet and act. A School Head then presented a one page document to the senior manager. The document included the following: 'There is a feeling among a number of staff that whilst change to the current situation is required, they would like more involvement and consultation in the development of the details and rationale of the changes. This feeling has had the effect of reducing ownership of the amalgamation solution. … there has been some discord… They (the faculty) would like more involvement and consultation…to ensure dissension remain within the Division...' (Anonymous, 21 November 2001). This was followed by direct and significant intervention from the staff union (NTEU Murdoch Branch), and after a series of discussions between the university and the NTEU branch president and industrial officer, the senior manager did agree to continue the development of the new School within a more consultative and participative framework.

A restructure group was established in early December under the chair of the senior manager with staff, management, and NTEU representatives. The group met several times over a number of months to construct an acceptable set of outcomes for all. During this time there were any number of corridor chats, informal tearoom discussions and formal school meetings to discuss and debate alternatives and to discuss the latest developments. The final outcome was a matrix management structure delimiting the direct control of appointment to positions by the senior manager. This was agreed to by all staff at a formal School meeting.The legitimacy of the change management process had been reclaimed and staff, although still wary, were more accepting of the outcome(s) reached.

HOPE

In the meantime, other initiatives were underway including discussions with the NTEU, and other members of the university senior executive. At the heart of many of these meetings were constructive debates about general managing change practices within senior management. Further restructuring at a university wide level has subsequently occurred, including significant changes at the senior management level. There is now a sense of a different future for the School with ongoing constructive debate and participation by staff in the construction of a strategic plan for the School.

In addition a new internal management structure designed through a collective and collaborative approach is also under consideration. This is following the path of an organisational strategy/structure nexus in which there is engagement and ownership by the staff of both the change process and the generated outcome(s).

CONCLUSION

This case study clearly illustrates that the key role of senior managers to be the primary change agents and to successfully manage the change process effectively is highly problematic. The saga of the School is evidence that even in a bureaucracy and a public sector agency like a university the best approach to change management is one that actively involves all staff. This approach allows full ownership of, and engagement in, the process and outcomes and minimises the need to overcome resistance to change so often prevalent in traditional change literature. The utilisation of an action learning/action research framework has ensured that the lessons hard won during this long organisational story will mean that there is less likelihood of 'management' history repeating itself within Murdoch University, at least whilst current corporate memory remains. *a*

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ENDNOTES

1 Names have been omitted in this case study to ensure confidentiality and anonymity, to guarantee privacy and provide legal protection for the participants in this action learning/research project.

2 Resistance amongst staff can be categorised as psychological because of the uncertainty involved; systemic in that there is a perception of likely disadvantage; institutionalised when the belief is that the change is unnecessary; and, cultural if the change challenges dominant beliefs and attitudes (Graetz et al., 2002, p. 260)

3 Maurer (1996) argues that half to two thirds of all major corporate change efforts fail, often because of resistance to change.

4 As Maurer (1996, p.56) succinctly puts it 'Resistance is what keeps us from attaching ourselves to every boneheaded idea that comes along.'

5 The other universities are the University of Western Australia (the oldest); Curtin University (technology focus); Edith Cowan University (the newest with a teaching focus) and the University of Notre Dame (a private Catholic university).

6 If the 'quiet' objective had been to 'reign-in' the power base of one of the original schools, then at one level it was successful: the change process focused the attention of the staff on one individual and one issue and not on other sections of the university.

7 One member of staff described the meeting as a virtual lock in, staff were encouraged not to leave until a recommendation was forthcoming.

8 The understanding of staff present was that the two original schools would remain separate under their respective Heads. There would be, for external marketing and branding purposes, a virtual MBS until the logistics and details of the change could be worked out collaboratively and the organisational unit announced publicly. Three years later the schools have integrated and there is limited evidence of the two former schools.

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