# *Root & Branch Organisational Change – Making it Happen & Making it Work.*

**Ian Smith – Manager, Administrative Change Program**

**Pranay Lodhiya – Chief Financial Officer & Sponsor, Administrative Change Program**

LA TROBE UNIVERSITY

# Focus of this talk

- challenges of change in universities – characteristics & dynamics which make change especially complex/challenging
- La Trobe University's *Administrative Change Program* - what trying to achieve – how we think we are going
- case study – changing the finance function at La Trobe

# Focus of this talk …

- lessons & observations – perspectives on achieving change
- many change efforts fail – how to  avoid that? Kotter's 8 steps for achieving change
- using Kotter's 8 steps as a "lens" to look at La Trobe's change program

# Focus of this talk …

- “red lights” & “green lights” for managers making change
- a reflection on organisational homeostasis – avoiding the “balloon effect”

# Universities a unique & challenging environment …for change!

- academic purpose first - always
- academic method – debate, test evidence, argue
- loyalty: discipline first – then to the University
- culture – collaboration? hierarchy?
- a big business – but business as a university
- collegiality vs managerialism (tail wagging the dog …)

# Challenge: collegiality vs managerialism

- collegiality
  - academic purpose – create, interpret, transmit knowledge
  - debate, test, argue, convince
  - cycle of ongoing critique = continually contestable agreements?

- managerialism
  - goals & objectives
  - planning, organisation, implementation, evaluation

# Where La Trobe was in 2007/8

- underperforming in
  - attracting students
  - attracting research funding
- weaknesses in research program
  - (with some key exceptions)
- diffused curriculum & weaknesses in teaching

# Where La Trobe was in 2007/8 …

- budget deficit (2007) – hampering development
- sluggish & siloed administration
- history of stalled/ineffective change efforts

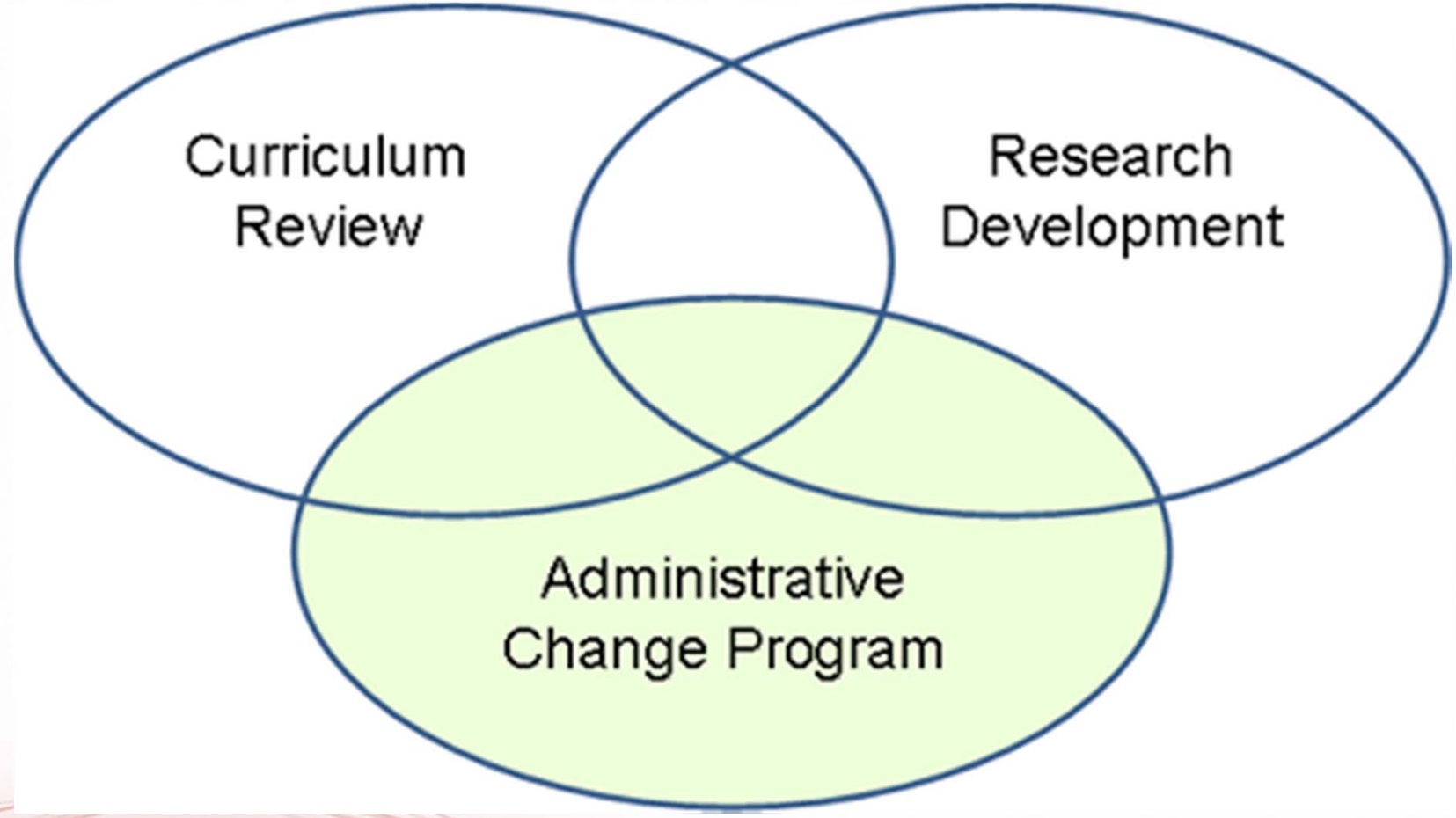
*“We need to abandon the ‘business as usual' approach - make real changes in order to ensure a healthy future for La Trobe.”*

*Paul Johnson (La Trobe Vice-Chancellor), 2007*

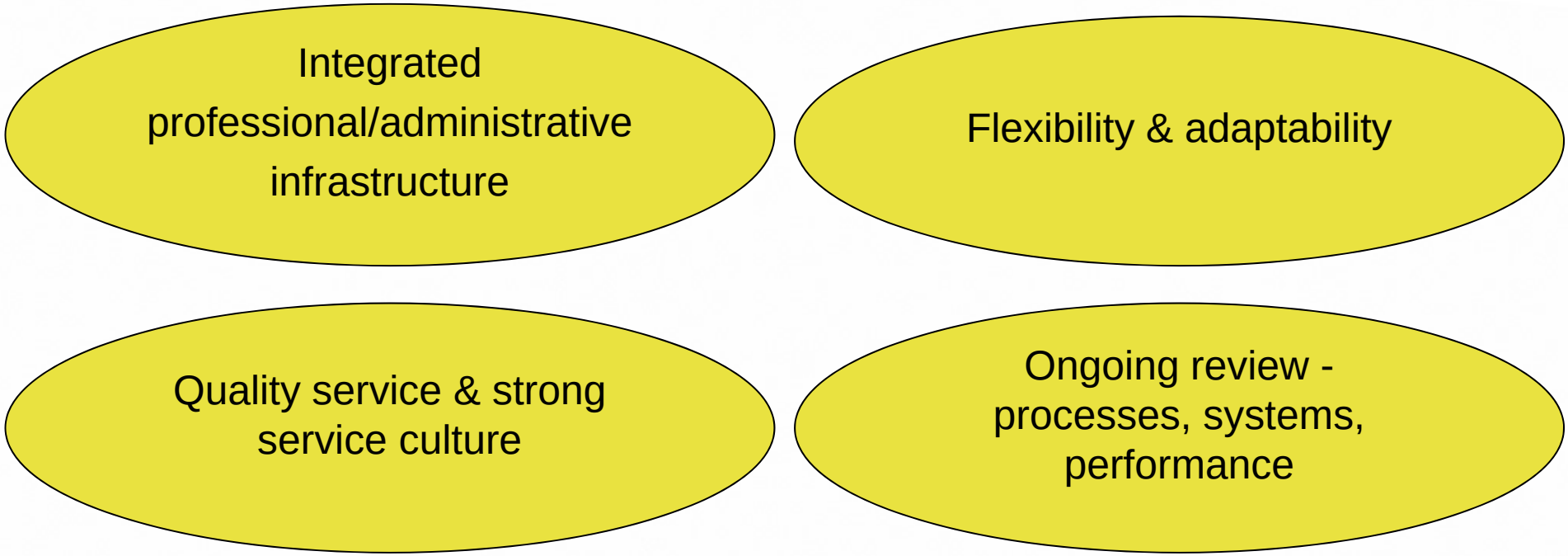
# La Trobe’s organisational renewal

- extended and profound organisational reform
- repositioning the University
- reform focus: learning & teaching; research; **administrative & professional services**

# Change at La Trobe – broad and interlinked



# Administrative Change Program - objectives



# Administrative Change Program - approach

- functional (not divisional/faculty focus) - crossing existing organisational boundaries
- University centred - limited use of external consultants - avoid “black box” solutions

# Administrative Change Program – approach …

- wide consultation, communication & engagement

- emphasising:
  - interaction, involvement, responsiveness
  - transparency of process
  - communication – clear, timely, honest, two-way

# Case study - changing the finance function

- move from “policing” to “business partnership” role
- professionalise function - across the University
- recognise **equally** important elements of function – custodianship, service and compliance
- enhance & strengthen business capability - across the University

# Case study - changing the finance function …

- Global university view - rather than “silo” view
- Enhancing functional intersections
- Consistency – approach & systems/processes
- Developing back-up & cross function support
- Encouraging job growth & opportunities - training & development

# The finance function - A Vision

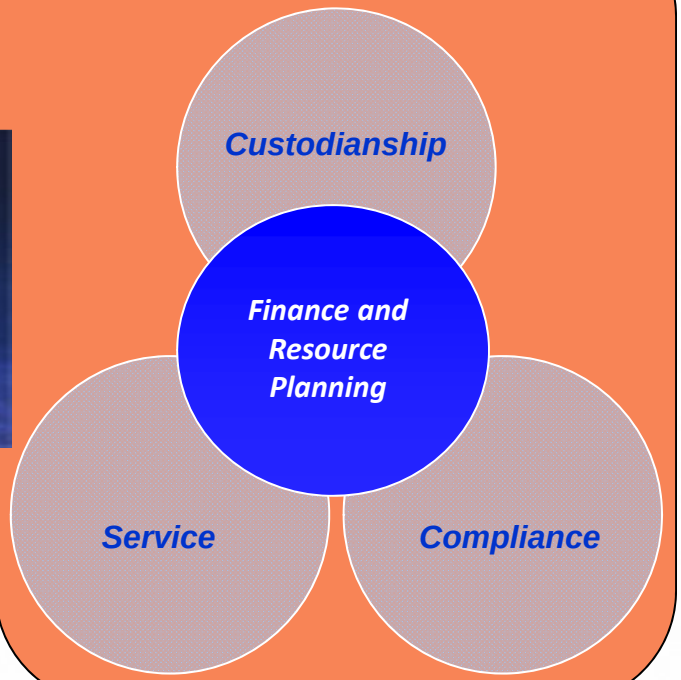
## …*well sort of!*

- proactive, professional and intelligent function
- solutions focussed
- integrated, consistent,
- responsive, communicative
- respected
- understanding and respectful of academic environment
- *having the ability to say “no” to someone and leave them feeling good about it!*

## Where we were…

- not engaged
- us and them
- unapproachable
- bean counter approach
- policing role
- loss of senior staff in 2008
- loss of 25% through VRS

## Where we're heading…




How is this achieved?

**How?**

- engagement
- up front consultation
- no “spin”
- acknowledge gaps
- integrated services model
- regular meetings with faculties, Heads of School, Deans, other senior managers

# “Building a plane while flying it”

- new budget model
- financial reporting framework
- developed borrowing capacity guidelines
- new investment strategy
- more analysis

# How in chaos can you do this?

- rely on goodwill of staff
- keep team motivated
- clear direction
- get involved and hands-on

# Where are we with changing the finance function?

- implementation still underway
- more respected…..*I think and feedback says so*
- finance team coming together
- reporting and forecasting well received
- improved processes & continuous improvement approach
- still ……..its a journey, more to do!

# How do we know if we on right track?

- positive feedback from Council on reporting
- feedback from Heads of Schools
  - *has improved dramatically, good advice*
  - *functional review articulated very well the need to professionalise*
  - *sense that people know what they doing*
  - *change an example of how done well…got out and engaged, talked, explained and made decisions after*

**Not all rosy though…….still way to go ……..**

# Where are we – the review & change process overall?

- 9/10 - functional reviews completed
- 5/10 - organisational changes complete
- 2/10 - changes partially completed
- 2/10 - changes pending
- 1/10 - review/restructure in process (student administration/services)

## What more/next – the program overall?

- focus on systems & processes
- evaluation - what achieved (or not…) – this in context of University's academic purpose
- establishing continuous improvement & enabling ongoing change

## What more/next …

- consolidating organisational/structural changes
- process & system improvement
- service improvement – practical service & service culture
- establishing continuous improvement & enabling ongoing change

# Lessons/observations – what worked <u>well</u>?

- leadership & management – both senior & function level
- communication – regular, wide, honest, variety
- working outside the “silos”
- taking time - careful consideration, engagement, testing/proving = credibility
- wide/extended consultation
- doing thinking & work ourselves – as much as possible minimised outside consultants
- quickly reacting to the pulse…….

# Lessons/observations – what worked <u>less</u> well?

- wide/extended consultation = wide/extended debate & contestation!
- “tribal” behaviours – territory defence
- La Trobe centred/working within (sometimes) = not enough pushing boundaries & challenging thinking
- not controlling consultation enough at functional level
- “we agree in concept but…….”
- expected senior managers to communicate down - often they didn’t …

# Change efforts often fail …

- between 50% & 70% of change efforts fail - fully or partly

*Kotter, 1995; Balogun & Hailey, 2004; IBM, 2008*

- what can assist in getting change right?

- one model for managing/achieving change – Kotter's 8 steps

# Kotter's eight steps

- *Urgency to change*
- *High level coalition - guide & lead*
- *Vision of organisation's future*
- *Communicate vision widely & repeatedly*
- *Empower people to act*
- *Plan for visible improvement & quick wins*
- *Consolidate improvement*
- *Institutionalise new approaches*

"Leading Change: Why Transformation Efforts Fail", Harvard Business Review, March-April 1995.

# Kotter's emphasis

- change - a long-term process
- staged, sequential approach
- look out for & avoid pitfalls
- visible improvement - *quick wins* - consolidate improvement
- don't rush – beware "illusion of speed"
- don't declare success too early!

# Our progress? - applying Kotter's framework

**urgency to change** - established

**vision for the future** - articulated & communicated

**high level coalition** - achieved to some degree (but could be better!)

**staff engaged, committed, empowered** – staff are engaged in making change happen (but more to be done!)

**visible improvements/quick wins** – some (but need more!)

**momentum for change** – cautions/danger signs showing (need to keep up the momentum!)

# “Red Lights” on the path to change

*We don’t need to do that*

*We already do that*

*We tried it but it didn’t work…*

*It’s too costly (or time consuming or complicated, etc)…*

*It’s [name of some other person or group’s] fault*

*The successes are mostly anecdotal – we will wait for hard data…*

…

# “Green lights” on the path …

Look for (people with):

- optimism and curiosity
- future orientation
- consistency and doggedness
- whole system perspective

(Doppelt, Leading Change Towards Sustainability, 2010)

# Avoiding excessive homeostasis – aka “the balloon effect” - getting change to stick …

***More about La Trobe's change program at:***

***https://www.latrobe.edu.au/change/***

LA TROBE UNIVERSITY