

## Learning from a ‘triple whammy’ of change

### Key Words

Restructuring, Crisis Management, Human Resource Management, Personal Change.

### The lessons of change

- The key to success is in understanding the nature of the change and anticipating people’s reactions and that’s far more important than the technical elements of the change.
- The importance of the planning processes can not be underestimated.
- The ability to communicate the change, and actually planning how you are going to communicate, and involving middle managers in communicating the change, will promote the change. Don’t leave everything to the project team or senior management.
- Knowing what is being changed, why it’s being changed and how it s being changed and make this clear to everyone.
- Visibility of top management is essential – especially when changes do not go to plan.

### Influences

This case study represents a reflection on a transformational restructuring effort which arose from the need to reduce costs as we had projected a budget deficit due to under-recruitment of students. Our response was to change and to change drastically. We had to honestly look at our strengths and weaknesses, which was painful for all affected as everyone was performing to their best ability and took pride in their disciplines. We had to make the changes effective by the end of the academic year, so that we could go into the new financial year knowing that we had already made the necessary savings.

### Decision-making

For us, the cost-saving took the form of:

- redundancies in under-recruiting areas;
- management restructuring to accommodate the structural change (disbanding faculties and the creation of Schools), and
- growth of popular courses and areas like sports therapy, ICT and management.

This was a ‘triple whammy’ in terms of the organisation, because we were making people redundant in some departments, advertising for growth in others, and in the interim, upsetting all the managers by changing the management structure. This meant that we actually lost the deans, who would have had a major role to play in our organisational change program.

To say that this was a bit of a challenge, especially as the institution had never been through a major restructure of this nature before, would be an underestimate. It was a very steep learning curve in change management, and a trying time for the whole Institution. We found ourselves working on a large scale transformational change, and there was no blueprint, no precedent in the Institution for change on such a scale.

We couldn’t change incrementally, because we had a very tight deadline. We had to achieve everything within five months. We didn’t find out what the effect of the under-recruitment was on the budget until January, and obviously, we had to make these changes by the end of the

financial year. We were held back by the governors, who kept testing the financial information, so we didn't get going on it until March, which resulted in even more of a contracted period in which we were trying to implement the changes.

## Enabling

Our organisational change procedure acted as an enabler for the change, as it provided equitable treatment to all involved. This case study puts emphasis on the importance of how such a framework for change can actually facilitate the change process.

A Personnel Officer was assigned to every area of at risk staff and that person, in effect, was taken out of the change process, so that staff could feel that there was somewhere to go with queries, personal difficulties or to vent their spleen.

## Achieving change

Our change procedure places very strong emphasis on avoiding or mitigating redundancies wherever possible, and the bulk of the time was taken up at looking how this could be achieved. We restricted external recruitment and appointed a senior manager to work with each area of staff at risk of redundancy. That manager, together with the personnel officer, interviewed all 'at risk staff' to identify the skills and expertise which would enable them to transfer to any re-deployment post, available in the growth areas.

After we had decided that redundancies were still necessary and the notices to staff had been issued, we opened an enhanced voluntary redundancy programme to staff, who were declared to be at risk of redundancy. This assisted the rapid change implementation, because once the staff who were not retained or redeployed, accepted voluntary redundancy, the procedure didn't lead to appeal (which extends the procedure further and involves senior management and governors).

Two members of the executive management team worked with staff in subject areas in order to identify what parts of the academic programme would remain viable and how students would be protected while subject closure was implemented.

We had two members of the Executive team conducting consultation with the recognised unions via a sub group of our joint consultative group. That's one thing that did go well. The Union very quickly understood the situation that the college was facing, and were actually accused by their members of giving 'management speak' when they were explaining the situation to their members. So the actual employer relations work with the unions came through very well and actually built some very good relations.

## Barriers to change

*Time constraints:* Unfortunately we were reactive rather than proactive in seeking out the staff, and on reflection that was time poorly spent. The short time scale and the limited resources to manage and facilitate the change meant that the management team and the personnel function were stretched to the limit, especially as the deans did not participate in the change implementation, as they were at risk of redundancy.

*Buy-in:* The major problem caused by the time constraints was lack of full consultation with the operational managers who would be responsible for picking up the pieces after restructuring and moving the organisation forward again. This lack of consultation meant that there was not enough buy in by the management team overall. Heads of schools, who were also members of NATFHE aligned themselves with their staff, taking a critical view of the process and the need for it. We were very, very close to a vote of no confidence in the Executive management team on the basis that the financial information came as a shock to everyone, and that we should have been able to foresee what was happening better. With hindsight, what we should have

done is seen what was happening in other institutions - who were suffering in a very visible and highly publicised way.

*Skills for dealing with complexity:* There was an appeal to the governors who listened to staff. This meant that the governors concerned had a conflict of interest - they had been major decision-makers in coming up with the business case for change in the first place. So, there were a number of mixed things happening. Complexity in real life, I would say. We could have all benefited from skills for dealing with complexity.

## Learning

In terms of the learning points the first thing that the joint consultative group did was to conduct a review of what went well and what went less well and, as a result, we have totally revised the policy for dealing with organisational change. That was a very collaborative process, which strengthened the relationship and the partnership between management and the union in terms of how to find the best way to alleviate the problems and the distress caused to staff.

The executive team became invisible through this process because whenever they raised their heads above the parapet and spoke to staff, they received a lot of criticism. The result was that they actually went to ground, which people did not appreciate at all. Whatever happens, Personnel and the Senior Management Team must stay visible and take it because it will ease matters in the long run. Staff need direct access to these people on a daily or weekly basis and there should be structured surgeries so that people can come and talk.

The following aspects were revised as a result of the 'Triple Whammy change programme'.

- The communication strategy- which was where the change fell down. There was a strong element of public compliance and private disruption going on through the process.
- We have simplified the organisational change process: A Proposal for Change needs to be raised by the executive management team and the relevant subject leader is invited to comment before this gets presented to the Academic Management team and the Senior Management team for approval to go ahead. This again ensures there is buy in at the subject leader level.
- Now, all Heads of Schools are on the academic management team, which was created immediately after the faculty structure was dismantled. They are also all on the Senior Management Group and take direct responsibility in decision-making concerning the closure of subject areas and implementation of the organisational change process.

Based on our past experience, if we were to conduct large scale change again, we would now appoint a project management team who would manage the planning, the communication strategy, the timetable and the implementation of the organisational change process. This group would also take responsibility for planning the re-focussing and the re-motivation of the organisation after the process.

## Implementing the lessons

We have recently had to go through the process of closing down another subject area. Unlike the first time, this change involved the head of the subject, who was actually himself at risk, in the design of the change. His input was invaluable and it meant that he felt comfortable with what went forward. He understood that he had a role in assisting himself and his staff through those difficult times, and that worked really well. I have to say that this particular organisational change where we have implemented all these lessons has been absolutely text book so far!

Affected staff were directly involved in the process by working with a senior manager and shaping the future role of the subject. For instance, in the recent example the subject area stopped being an independent subject that is offered at honours and masters level and is becoming a subject, which falls within the school of Teacher Education. The number of staff

who carry the subject area forward within Teacher Education would be smaller, which meant that that we would lose the vast majority of staff. All staff throughout the organisation were communicated with throughout the process through bulletins, open forums, our newsletter etc. We included everyone, not only the 'at risk staff', so that we could prevent misinformation. Gossip and hearsay are powerful and very misleading and we wanted to make sure everything comes from the horse's mouth.

All at risk staff were offered a much higher level of personal support by a named personnel officer who was proactive in running surgeries at published times so that the staff could actually raise problems and obtain information and support. That personnel officer had no other role within the organisational change process so there was no conflict of interest.

Academic board has actually established a procedure in terms of managing the closure of an academic programme and fulfilling the commitments to the students. I have to say that during the last change, not enough was done to communicate with the students early on. Too much was left to the subject leader, who obviously was disaffected at being made redundant. I think we have to remember that the first thing someone feels when being declared at risk of redundancy is anger and feeling rubbish professionally.

The last thing is that key executive managers are required to ensure that they are visible by attending school and departmental meetings as necessary. That they make themselves available they tell the HOS and HOD that if anyone wants to invite them to a meeting they are available. They make sure they are seen dropping into the staff club for coffee so that informal conversations can take place and they can walk the talk.

A very useful reference is Grude, K V, Turner, J R. *Managing Change*. In chapter one, *The Project Manager as Change Agent*, the authors discuss that what people resist is not so much change, but rather change being imposed on them. The stress is caused by people feeling that they do not have any element of control in the process. Badly handled change can actually prove costly and devastating and actually move the institution backwards.

## **Contact**

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