



# Structural change management

A guide to assist agencies to  
manage change

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# Contents

- Foreword..... 5**
- 1. Introduction ..... 6**
- 2. Principles for successful change ..... 7**
  - 2.1 A clearly defined rationale and vision of the change is understood..... 8
  - 2.2 Stakeholders are identified, appropriately consulted and informed..... 9
  - 2.3 The system and processes developed to achieve the change are transparent.... 10
  - 2.4 Collective and collaborative leadership is empowered..... 11
  - 2.5 There is a dedicated focus on people ..... 12
  - 2.6 The change is systematically reviewed and adapted ..... 13
- 3. The change process ..... 14**
  - Figure 1: The Change Process ..... 14
  - 3.1 Design ..... 15
  - 3.2 Deliver ..... 15
  - 3.3 Dialogue ..... 16
  - 3.4 Do..... 16
  - 3.5 Evaluate..... 17
- 4. Obstacles to successful change ..... 18**
  - 4.1 Lack of a governance structure..... 18
  - Figure 2: Governance structure ..... 19
  - 4.2 Lack of role modelling by leaders ..... 19
  - 4.3 Under-communication of the vision..... 20
  - 4.4 Declaring success too soon ..... 20
- 5. People management ..... 21**
  - 5.1 Legal and policy framework ..... 21
  - 5.2 Positions ..... 22
  - 5.3 Affected people..... 22
  - 5.4 Temporary arrangements ..... 23
  - 5.5 Industrial issues ..... 24

5.5.1. Consultation and notification of change .....	24
5.5.2. Specific working arrangements and conditions.....	25
5.5.3. Consultative committees .....	25
5.5.4. Modes of employment .....	25
5.5.5. Workload management .....	25
5.5.6. Grievance and dispute settlement procedures .....	25
<b>6. Support for change .....</b>	<b>26</b>
6.1 Role of central agencies .....	26
Table 1: Role of central agencies .....	27
6.2 Financial management .....	27
6.3 Machinery of Government.....	27
6.4 Examples.....	27
<b>7. Conclusion .....</b>	<b>28</b>
<b>Glossary.....</b>	<b>29</b>
<b>Bibliography .....</b>	<b>31</b>

# Foreword



The services provided to the community by the public sector are integral to the wellbeing and quality of life of all Western Australians. If we are to continue to meet community needs and expectations, the public sector will need to be collaborative, innovative, flexible and capable of adapting to change. In doing so, the sector must be robust and have leaders who champion, embrace and manage change. However, as many of us know from experience, leading successful change can be incredibly challenging.

This tool provides practical guidance to assist agencies to implement structural change, including significant Machinery of Government reform. It has been developed in consultation with a number of agencies and draws on contemporary literature and guides from other jurisdictions, and the extensive experience of chief executive officers.

I thank and acknowledge those who have been involved in developing this guide and invite further contributions from all agencies on how they have managed successful change. Ultimately, successful change management will enable improved public sector performance and responsive service delivery to the Western Australian community.

A handwritten signature in black ink, appearing to read 'M C Wauchope', written in a cursive style.

M C Wauchope

PUBLIC SECTOR COMMISSIONER

# 1. Introduction

This guide has been developed to provide general guidance to public sector agencies undertaking structural change. It is not intended to be a comprehensive summary of the literature on change management but rather to provide practical guidance and information on managing structural change.

When embarking on structural change it is important to never lose sight of the overall change aim and the legislative context for the change, including section 7 of the *Public Sector Management Act 1994*.

A change to the structure is usually only one element of a change program. Often there are revised business processes and policies, legislative implications, new infrastructure (including technology), and changed lines of accountability or skill requirements. Although the structural change is only one element, if not designed well, or implemented successfully, it can in itself derail the whole change effort.

As each public sector agency is unique, so should the process for change be unique. The scope and extent of the change, the culture, the context and the characteristics of the agencies involved influence each and every change. However, there are some common features of successful change. This guide broadly outlines those successful features. **Section 2 describes change principles** that should be adopted throughout the period of the change program. **Section 3 outlines a typical change process**. **Section 4 presents common obstacles** to successful change. **Section 5 provides guidance on people management**, while **section 6 provides advice on additional support** that is available to agencies. Finally, the guide **provides tools and examples** to assist agencies to manage structural change.

## 2. Principles for successful change

Change management is the practice of successfully changing an organisation. It typically involves changes to processes, technology, roles and organisational culture and structures. In some circumstances, change may be incremental. In others, it may involve a much more radical transformation. Change can be emergent, in that it unfolds in an apparently spontaneous way, or it can be planned—in that it is a product of conscious reasoning and deliberate action. This highlights an important aspect of managing change, namely understanding that organisational change is a process that can be facilitated by planning and implementation phases. However, it is vital to acknowledge that change can never be fully isolated from the effects of the external context, uncertainty and chance.

While there are numerous models and theories about change management, no single approach suits all planned change. It is important that the change approach adopted is one that is suited to the culture of the organisation and the context of the change.

While each public sector organisation needs to consider the best way to approach change, there are common change management principles that characterise successful change. The extent to which those principles are exhibited will vary, depending on the extent and nature of the change. The principles for managing successful structural change are:

1. A clearly defined rationale and vision of the change is understood
2. Stakeholders are identified, appropriately consulted and informed
3. The system and processes developed to achieve the change are transparent
4. Collective and collaborative leadership is empowered
5. There is a dedicated focus on people
6. The change is systematically reviewed and adapted.

## 2.1 A clearly defined rationale and vision of the change is understood

Successful change requires a clearly articulated vision and an understood rationale. Ideally, the rationale would include a compelling and convincing case for the change that inspires and motivates people to become involved. It is important for all those involved to understand fully the need for change.

Once the need for change is agreed upon, the intent of the change should be carefully defined. The change should deliver long-term benefits while at the same time minimising any negative effect on employees. The intent should include broad details of the scope of change and determine what elements of the change are negotiable, and why this is so. For instance, if the change has been mandated by Government, or as a result of new legislation, the actual change may be non-negotiable but details on how the changes occur may be flexible and subject to consultation. The message should describe the likely impact the change will have in terms that matter to the people involved.

The vision should be clear and identifiable once achieved. If the vision is unclear or misunderstood, commitment is unlikely and change efforts are likely to be unsuccessful or minimal. Too often, leaders make the mistake of believing that others understand the issues, feel the need to change, and see the new direction as clearly as they do. If people do not understand, they will question to what extent change is needed, whether the organisation is headed in the right direction, and whether they want to commit personally to making change happen. The articulation of the purpose of the change and ultimate vision are invaluable in ensuring successful change.

Successful change management requires the reinforcement of core messages continually through regular, timely advice that is both inspirational and practicable. Communication of the rationale for the change and the vision should be consistent and frequent. Often this information is relayed at the start of the change management initiative and only revisited upon completion. The message should be continually reinforced and customised for various audiences. Checks should be put in place to ensure it is understood.

## 2.2 Stakeholders are identified, appropriately consulted and informed

Stakeholders are the people affected by the change. In relation to structural change, the stakeholders are the organisation's workforce and those whose interests may be positively or negatively affected by the change. This may include other agencies, such as the Public Sector Commission or the Department of Treasury, the responsible minister, service providers, vendors, unions or the public.

An agency needs to identify the stakeholders of the change. The number and range of stakeholders will depend on the scale and extent of the change. Identification will assist in determining the extent and type of consultation required. Once stakeholders are identified, the agency should engage them effectively and meaningfully. To do that, stakeholders need to understand the reasons the change is happening and what benefits are expected. They also need to have an opportunity to express their views and contribute their own ideas. Experience shows that approaching change in an open and consultative manner assists in more effective implementation. However, it is important that stakeholders are made aware of any predetermined decisions and whether any elements of the change are non-negotiable.

It is important that stakeholders are kept appropriately informed throughout the change process. To this end, consultative activities should be included in any change management plan that is developed. It is important to determine what needs to be communicated, to whom and how often, and what mediums can be used to deliver the information effectively. Some large agencies have achieved successful change by establishing a consultative employee group. The employee group receives feedback and provides information.

It is an easy way to dispel any rumours and also for change managers to hear about the impacts of the change as they occur.

## 2.3 The system and processes developed to achieve the change are transparent

Regardless of the extent of the change, stakeholders will need to know how the agency will move from where it is now to where it wants to be, that is, about the change process. This change process could be documented in a change management plan. Such a plan could include:

- how the change is to be implemented
- what consultative and communication methods will be used
- how stakeholders can contribute
- what resources are available
- what timelines are proposed
- what human resources principles and policies are to be applied.

Furthermore, it is important to define how the change will be governed. Some agencies use a separate change management group to do this while others use the change management group to manage the change while the executive committee governs the change.

As the change plan is communicated, tested and executed, it needs to be flexible enough to adapt to unforeseen circumstances. It is common for change programs to vary from the plan. This may be due to a number of factors, including people reacting in unexpected ways, areas of anticipated resistance falling away, and the external environment changing. Any adjustments to the plan should be communicated to maintain momentum and achieve desired outcomes. Effective change requires continual reassessment of the change management plan, its impact, and the organisation's readiness to adopt the next wave of transformation. **An example of a change management plan is included at Appendix A.**

## 2.4 Collective and collaborative leadership is empowered

The role of leadership in any change management program cannot be underestimated and is repeatedly cited as a major contributor of change success. The agency should not be dependent on one individual to make the change happen, as the assumption that there can be only one leader in an agency is incorrect. Many people might be operating as leaders within an agency. Leadership may thus emerge from multiple members of the agency, especially when important needs arise, such as when unexpected difficulties arise during the planning and implementation phases or when a change of direction is proposed. Although someone may initiate an activity, or ultimately decide on a direction, others should become involved and share leadership with the initiator.

To enable successful change, efforts must include strategies for identifying leaders throughout the agency and empowering those leaders to design and implement components of the change. At each layer of the organisation, the identified leaders must be equipped to execute their specific change component, and motivated to make change happen. These leaders should work collaboratively to ensure the overall change effort is successful.

Leaders of change programs must champion the change. They will create a critical mass among the employees in favour of change. This requires more than mere 'buy-in' or passive agreement that the direction of change is acceptable. It demands ownership by leaders willing to accept responsibility for making change happen in all of the areas they influence or control. Ownership is often best created by involving people in identifying problems and crafting solutions.

## 2.5 There is a dedicated focus on people

Failing to plan for the 'people aspects' of change is likely to result in an unsuccessful change management program. A dedicated focus on people is necessary throughout the change to ensure the best outcome. An approach for managing the people elements of the change should be developed early and adapted if needed as change occurs. This requires as much data collection and analysis, planning and implementation discipline as does a redesign of strategy, systems or processes. The people approach should be fully integrated into design and decision making, both informing and enabling strategic direction. The people approach should be based on a realistic assessment of the agency's history, readiness, culture and capacity to change, and should include employee involvement.

The workforce will expect a fair change process and an equitable outcome. Ensure there is a transparent process designed for people to access jobs and opportunities and that employees are fully aware of what is expected of them during and after the change program. Structural change has the potential to create people 'issues'. New leaders will be asked to step up, jobs will be changed, new skills and capabilities must be developed, and employees will be uncertain and possibly resistant. People will react to what they see and hear around them. Dealing with these issues on a reactive, case-by-case basis puts timeliness, morale and results at risk.

A range of employee wellbeing programs usually supports successful change. Such programs will ensure employees are supported and have access to development opportunities to increase their skill levels so they can comfortably move into other roles or cope with how their existing role may change. In addition to the provision of an employee assistance service through an external provider, the provision of capability workshops are important. These workshops may include:

- understanding/leading change
- application/interview techniques
- career counselling/coaching
- communication skills.

It is vital that the human resources and industrial issues are well managed; this can only be achieved if there is an increased and dedicated focus on people.

## **2.6 The change is systematically reviewed and adapted**

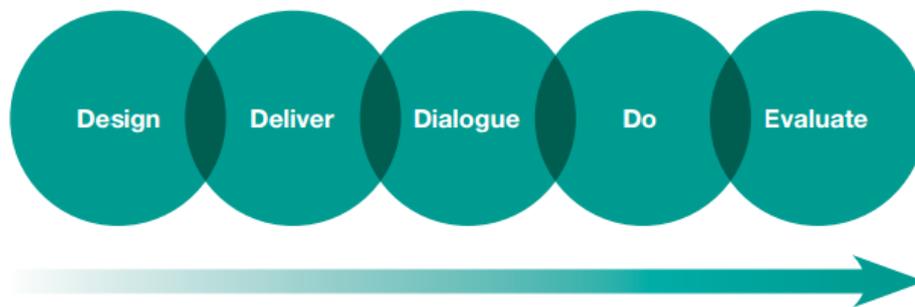
All too often structural change is achieved but the question remains: Was it successful? Did the change in structure result in the desired change in performance, or deliver the outcome that it was designed to do? Frequently, in structural change programs, a new structure is decided upon and implemented without a continuous review of 'is this new structure delivering what we needed it to deliver?' To answer this, the change rationale and vision need to be revisited, not only at the end of the change process but throughout.

In addition, when implementing structural change it is possible for some areas of the agency to connect as a team quickly, while other areas need more time and effort to develop a working relationship. Therefore, it is necessary that team relationships are developed and continuously reviewed across the agency as well as within work groups.

A cycle of 'reflect, review and adapt' should be applied to ensure the structural change delivers the intended result.

### 3. The change process

No single process is applicable to all structural change. However, there are some common interlocking process steps that should be followed. The process is not typically linear; the steps interlock and merge, allowing one step to begin prior to another being completed. The steps comprise design, deliver, dialogue, do and evaluate and are illustrated in the following diagram.



**Figure 1: The Change Process**

Skipping these steps may create an illusion of a speedy transition but can lead to unintended consequences or an unsatisfactory outcome. An appropriate balance needs to be found between consultation and communication, while providing certainty to employees about the future.

**Appendix A provides an example of these process steps being used in a change management plan.**

## 3.1 Design

Once a decision and applicable announcements have been made that structural change is necessary, the first step in the change process is 'design'. This includes the design of a draft structure that is believed will best deliver organisational outcomes and deliverables. It also includes a change management plan with communication and consultation strategies and the human resource principles that will be adopted. Lastly, the process that will be used to move the structure from where it is now to the new structure should be designed. For example, will the change occur branch by branch, or classification level by level, that is, from the top down? It is important to reinforce that the level of detail will depend on the scale of the change and approach. For example, if a small branch structure within an agency is changing, the plan may require only one page to cover all of the necessary elements. In contrast, a whole-of-agency structural change may require more detail and time spent on the design step.

The design step may result in the following draft guides:

- structure chart
- change management plan, inclusive of
  - a process for change
  - communication and consultation methods
- human resource principles.

## 3.2 Deliver

Following the design of a new structure and a change management plan, the information needs to be 'delivered' to stakeholders. It may be useful to incorporate both internal and external stakeholder delivery mechanisms. Internal delivery may use several methods, including team meetings, one-on-one meetings with line managers, all-staff briefings, electronic mediums, or circulation of a draft guide. Some agencies have found it useful to circulate a draft structure chart to provide further meaning to individual job roles.

The overarching change principle of 'A clearly defined purpose of the change is understood' is of ultimate importance. When communicating the draft information, the purpose of the change should be reinforced. Stakeholders may have been previously informed of the purpose and the necessity of the change; however, it is only now that they will be asking 'What does this mean for me?' It also provides the opportunity to clarify roles in the change process. Therefore, it is crucial that the key messages of what is changing and why are reinforced.

Stakeholders may offer initial feedback on the structure, process or change approach. All feedback should be encouraged and considered. If appropriate, change the design to accommodate the feedback.

### 3.3 Dialogue

Once stakeholders have had the opportunity to absorb the information, the next process step is 'dialogue'. The dialogue should involve all stakeholders, and people should be given an opportunity to discuss their thoughts and offer their opinions. Agencies that have implemented successful change have used a variety of methods to collect and consider views and subsequently adapt their design, based on the dialogue.

Dialogue is important not only to provide stakeholders with the opportunity to discuss the structure openly but to think more broadly about how the pending change may impact upon the service they provide. Many unexpected difficulties have been uncovered and corrected at this stage because of the knowledge assets of stakeholders. They can provide sound advice on what, if any, other changes need to be made to ensure the organisation achieves the ultimate objective of the change.

Once the dialogue has taken place and feedback has been considered, any adaptations to the design should be made. Feedback should be provided to stakeholders on the dialogue process, particularly about what has been incorporated and what has not. An outline of the rationale behind what feedback was not included in the change approach is particularly useful to ensure a totally transparent process.

### 3.4 Do

The 'do' phase includes implementation of the new structure using the change management plan and human resource principles. The change management group should be mindful of the external environment and the impact of the changes as they are made. Ideally, the designed change process is followed closely; however, it is usual for change to unfold in unexpected ways. Therefore the change principle of 'The change is systematically reviewed and adapted' is of crucial importance during this phase.

Systematic review will provide an opportunity to diagnose and correct any difficulties that are preventing the change from unfolding as expected. For instance, the purpose of the change may need reinforcement or clarification. Alternatively, systematic review will provide the opportunity to reflect on achievements to date and to determine whether the designed change actually will result in the desired outcome. Is it suitable for the culture of the organisation? The designed change approach may need modifications to ensure a successful outcome. The review will enable the change to be progressed decisively and in accordance with the objectives of minimising disruptions and displacements.

## 3.5 Evaluate

Systematic reviews during the change process do not eliminate the need for an evaluation upon completion. Ultimately, the evaluation will determine whether the change achieved the intended outcome. The evaluation should explore the process and impact as well as the outcome of the change.

Questions such as 'Was the process successful?', 'What could have been done differently?' and 'What would we do the same?' could be asked and the learning applied to any future change programs. The impact of the change should be examined from the perspectives of all stakeholders. If appropriate, an analysis of performance measures of pre-change performance to post-change performance can be conducted to inform the evaluation. Lastly, the outcome of the change should be evaluated. The key question here being, 'Did the structural change achieve the intended agency outcome?'

At this point it may be useful to acknowledge a job well done. Take a moment to reflect and acknowledge the highs and lows during the change process and mark the conclusion.

Change is ultimately an ongoing process of organisational life and no linear process map will depict the total complexity or every process step required. However, for structural change there are some common process steps as outlined in this section. These steps overlap throughout the change process. Skipping these steps may create an illusion of a speedy transition; however, it can have unintended consequences and never produces a satisfactory outcome. Nevertheless, it is important that the change process is dealt with as a priority. An appropriate balance needs to be found between consultation (and communication) and providing certainty to employees about the future.

## 4. Obstacles to successful change

Ensuring the process steps are included in structural change will contribute towards a successful change outcome. Conversely, some common obstacles can prevent successful change. Any agency undergoing structural change should be aware of these obstacles and ensure that when designing their change approach that consideration is given to how to overcome them. The following obstacles have been drawn from general change efforts. However, they can be applied to structural change as well. The common impediments to successful change are:

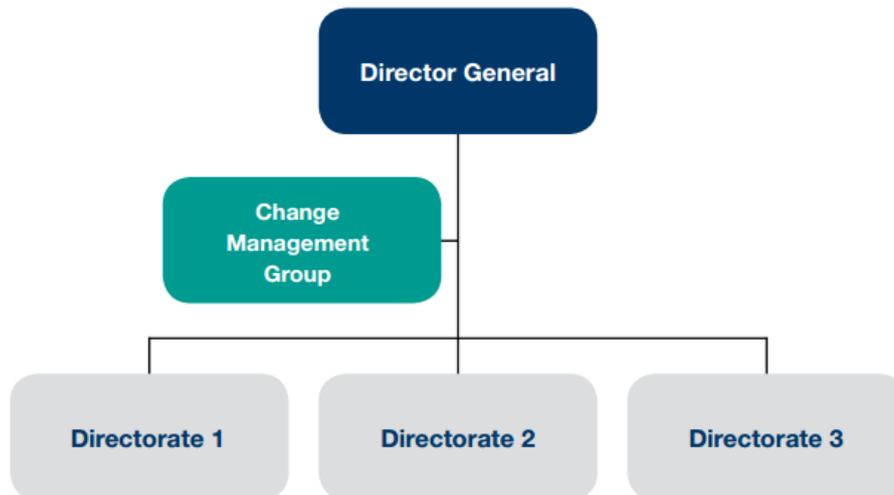
- lack of a governance structure
- lack of role modelling by leaders
- under-communication of the vision
- declaring success too soon.

### 4.1 Lack of a governance structure

A simple definition of governance is 'the system by which an organisation is directed and controlled'. This concept can be applied to a change program, and it means defining how the change will be directed and how the change will be controlled. Some agencies have found that using the existing governance systems in organisations, such as executive meetings, is a successful way to govern change. The benefit to this approach is that all executive members consider the change within the context of other business on the agenda. The downside is that the change could lose focus and become 'just one more item on the agenda'.

Others have found that establishing a separate governance structure outside the existing formal boundaries and culture of the organisation is also a successful mechanism.

A popular approach is the establishment of a separate change team or 'coalition'. This coalition comprises a range of people, all of whom bring expertise to the group and who have sufficient influence to achieve the change. The group is not necessarily comprised of the executive but of a range of individuals from varying levels of seniority (Figure 2). The benefits of this separate coalition include a dedicated focus on achievement of the change and a shared commitment to making the change work from a whole-of-organisation perspective. **An example of such a group's terms of reference has been included at Appendix B.**



**Figure 2: Governance structure**

Regardless of the type of governance structure adopted, the key message is that without such a structure the change can lose momentum or cease.

## 4.2 Lack of role modelling by leaders

Conventional change management suggests that leaders should take actions to role model the desired change. Most leaders commit to being a role model for desired behaviour within their organisation; however, in practice it is extremely difficult to achieve. In some cases, managers can make demands that are inconsistent with the overall effort or insist that old ways of working continue. This may seriously undermine the change effort. If leaders and managers do not visibly role model the new ways of working, their commitment is questioned and cynicism can grow. For successful change, leaders need to become a symbol of the vision in practice.

### **4.3 Under-communication of the vision**

Agencies have good intentions of communicating, however, quite often the communications fall away or become less clear as time moves on. The change vision may have been communicated at the start of a change program and reinforced in newsletters and change updates but for successful change management, the change vision also needs to be incorporated into routine discussions. This includes using all communication channels, newsletters, regular management meetings, staff briefings, webcasts and the like. Too often, the message of the change vision is transmitted but the agency rarely checks that the message has been 'received and understood'. This level of communication and understanding can only be achieved from continuing discussion and integration of the vision with routine discussions.

### **4.4 Declaring success too soon**

The ultimate aim is for the change vision to become the normal way of operating. This can only be achieved by continual, almost relentless, reinforcement of the change vision. The change process does not end when the new structure is in place and positions filled. In reality, filling the new positions is only one step towards achieving the vision.

If new leaders have been appointed, they will need to unify directorates and the directorates will need to learn how to work effectively together. Moreover, new systems and processes may need to be designed and working procedures established. The particular change program only ends when the vision is achieved.

There are many other impediments to successful change but these are the main obstacles that can damage the change program. As with any project, potential impediments should be considered and assessed within the context of the particular agency involved. Strategies should be employed to minimise the risk of the impediments becoming a barrier to successful change.

# 5. People management

Structural change can cause a degree of disruption to employees. If the people management components of the change are not managed appropriately, morale may suffer and the overall change effort diminish. People need to be informed of what's happening—their options, what the change process involves and what support services are available. The following information provides guidance for agencies undergoing structural change whereby positions are affected.

## 5.1 Legal and policy framework

When completing structural change, the following legislation and policy instruments apply.

- *Public Sector Management Act 1994*, particularly Part 2 sections 7–9, Part 3 (where applicable) and Part 6
- *Public Sector Management (Redeployment and Redundancy) Regulations 2014*
- *Public Sector Management (Breaches of Public Sector Standards) Regulations 2005*
- *Industrial Relations Act 1979*
- *Minimum Conditions of Employment Act 1993*
- *Equal Opportunity Act 1984*
- *Workers' Compensation and Injury Management Act 1981*
- *Occupational Safety and Health Act 1984*
- *Termination, Change and Redundancy General Order*
- Employing authority enabling legislation (if applicable)
- *Public Sector Standards in Human Resource Management*
- *Public Sector Commissioner's Instruction No 7- Code of Ethics*
- *Premier's Circular 2013/03: Coordination and Governance of Public Sector Labour Relations*
- *Public Sector Commissioner's Instruction No. 1 - Employment Standard Public Sector*
- *Public Sector Commissioner's Instruction No. 2 - Filling a Public Sector Vacancy*
- *Public Sector Commissioner's Instruction No. 11- Redeployment Standard*

- *Public Sector Commissioner's Instruction No. 12 - Redeployment and Redundancy*
- *Public Sector Commissioner's Circular: 2012-05 Code of Practice: Occupational Safety and Health in the Western Australian Public Sector*
- Applicable industrial awards and/or agreements.

At all stages of the change process, the principles of public sector management (*Public Sector Management Act 1994*, ss. 7–9), the above framework and the agency's Code of Conduct must be complied with.

## 5.2 Positions

During the restructure, some positions may remain unchanged but there are likely to be new positions created and existing positions amended, transferred or abolished. Agencies should inform and consult with employees on the process that will be adopted for filling and amending positions. Once positions in the new structure have been created and classified, there are a number of options for filling positions, including:

- Where there is an equal number, or more, positions available to suitably qualified employees at the same level, 'like-to-like transfers' can occur.
- If there are more suitably qualified employees than positions at the same level, employees may be transferred to available positions through an appropriate merit selection process.
- If there are vacant positions remaining that cannot be filled by transfers, these positions can be filled in accordance with *Commissioner's Instruction No. 2 - Filling a Public Sector Vacancy*.

These actions essentially limit applications for the vacant positions that arise to existing agency employees in the first instance. It is important to ensure that employees who are on secondment elsewhere or who are on leave are considered, kept informed and updated about the change. It is also important that displacements are minimised. **See Appendices C and D for template human resource plans.**

## 5.3 Affected people

It is important that throughout the whole change process there is a dedicated focus on people, as outlined in Principle 2.5 in this guide. This dedicated focus may include managing people issues, including managing those individually affected by the change. During change there are often employees whose positions have been abolished but who may yet be placed within the new structure. It is important to treat all staff with respect, continually reaffirm their worth and take great care in providing appropriate support services for these employees.

Once the change, or the relevant phase of the change, is complete, all employees without a substantive position are to be managed in accordance with applicable legislation, Commissioner's Instructions and guidelines applicable to the Western Australian public sector redeployment and redundancy framework.

## 5.4 Temporary arrangements

When implementing structural change, there may be occasions when temporary or transitional arrangements need to be put in place. For instance, new positions may be included in the new structures that require classification, the process of which may take time, yet it is important for the role to be filled temporarily so that work can continue.

In this case, an indicative level of level 8 and below may be suggested until the reclassification process is complete and a person is selected to act. If agencies believe the positions may be level 9 or above, they should consult with the Workforce Performance Directorate and act in accordance with the relevant Commissioner's Instruction. Alternatively, people may be selected to act in new positions until the permanent selection process has been completed in order for agencies to continue fulfilling their role.

Agencies may also wish to establish their own 'structural change policies' to assist them to manage change effectively. Examples of these policies are: that no new appointments are made at selected levels until all existing permanent staff have been assessed for suitability; or alternatively, no reclassification applications will be considered until the change has been implemented fully. Temporary or transitional arrangements are acceptable providing that the arrangements are within the legislative and policy framework and that agencies are mindful of the structural change management principles in this guide.

## 5.5 Industrial issues

Change efforts can have limited success if appropriate consideration is not given to the relevant provisions in the applicable industrial awards/agreements. Agencies need to become familiar with the applicable industrial instrument and any associated legislation. Industrial issues may include, but are not limited to, the following:

### 5.5.1. Consultation and notification of change

Employees and their unions have the right to know as soon as possible about management decisions that may affect employment. Generally, awards and/or agreements will provide for notification of change where the employer has made a definite decision to introduce major changes that are likely to have significant effect on employee's employment or conditions of employment. The employer is required to notify the employees affected by the change and the relevant union/s.

Award/agreement provisions generally define significant effects as including: termination of employment; major changes in the composition, operation or size of the employer's workforce or in the skills required; elimination or diminution of job opportunities, promotion opportunities or job tenure; alteration of hours of work; the need for retraining or transfer of officers to other work or locations; and restructuring of jobs.

Notification of change requirements are also captured in the Termination, Change and Redundancy General Order issued by the Western Australian Industrial Relations Commission In June 2005.

The employer must discuss with the employees affected and their union/s, the reasons for the proposed introduction of the changes, the effects the changes are likely to have on the employees, and measures to avert or mitigate the adverse effects of such effects. The employer also must give prompt consideration to matters raised by the employees and/or their union/s in relation to the changes. The discussion must commence as early as practicable after a firm decision has been made by the employer to make the changes.

It is appropriate for the employer to provide to the employees concerned and the union/s all relevant information about the changes, including the nature of the changes proposed, the expected effects of the changes on employees, and any other matters likely to affect employees. The employer is not generally required to disclose confidential information that would be opposed to the employer's interests.

Awards/agreements often include notification provisions and support arrangements for employees who are away from the workplace on leave, for example, parental or extended leave, ensuring reasonable steps are made to inform the absent employee of the change and implications.

### **5.5.2. Specific working arrangements and conditions**

Awards/agreements may also include provisions relating to employer-specific or unit-specific working arrangements and conditions such as hours, rosters and commuted allowances. These provisions need to be examined on a case-by-case basis as they may include specific notification/change provisions.

### **5.5.3. Consultative committees**

Communication and consultation underpin change management. Awards/agreements generally provide for consultative mechanisms, such as consultative committees. Consultative committees are usually effective forums and are appropriate mechanisms to consult on structural change matters. Decision making continues to rest with the employer, who is accountable to government through legislation for the operation of its business.

### **5.5.4. Modes of employment**

During any change process, agencies will need to consider whether there will be any effect on the employment arrangements, for example, permanent, part-time, fixed-term contract and casual employment. Awards/agreements often include part-time provisions for variation of hours and right of reversion. Fixed-term contracts can only be utilised in certain circumstances.

### **5.5.5. Workload management**

Workload must always be managed effectively and it is appropriate that workloads continue to be monitored during change processes. Many awards/agreements include workload management provisions to ensure workload is fair, manageable and without risk to health and safety.

### **5.5.6. Grievance and dispute settlement procedures**

Change processes inevitably raise concerns among employees and may result in an individual grievance or dispute. Awards/agreements set out specific grievance and dispute settlement procedures to be followed in the event of dispute. Agencies need to check the relevant award/agreement to determine the application of the appropriate procedure.

# 6. Support for change

The final section of this guide is designed to provide assistance to agencies when leading structural change. The section outlines the role of central agencies and provides templates that agencies can use to design, plan and implement structural change.

## 6.1 Role of central agencies

When designing and implementing structural change, central agencies either may or should be involved. The extent of involvement will depend on whether more than one agency is affected and whether the senior positions of the agency are affected. The role of each agency in relation to structural change is outlined in Table 1 below:

Central agency	Role
Public Sector Commission	<p>Advise on <i>Public Sector Management Act 1994</i> and associated regulations including the <i>Public Sector Management (Redeployment and Redundancy) Regulations 2014</i>.</p> <ul style="list-style-type: none"><li>• Advise on applicable Commissioner's Instructions</li><li>• Provide guidance on the change process</li><li>• Implement Machinery of Government (MOG) changes</li><li>• Advise on executive structures and classifications</li><li>• Select chief executive officers</li><li>• Advise on movement of staff between agencies</li><li>• Build capacity of the public sector to lead and manage change</li></ul>

Central agency	Role
Department of Treasury	<ul style="list-style-type: none"> <li>• Advise on <i>Financial Management Act 2006</i></li> <li>• Implement financial changes relative to MOG</li> <li>• Advise on accounting, financial governance and reporting</li> </ul>
Department of Commerce	<ul style="list-style-type: none"> <li>• Advise on <i>Industrial Relations Act 1979</i></li> <li>• Advise on awards, agreements and employment arrangements</li> </ul>

**Table 1: Role of central agencies**

## 6.2 Financial management

Organisational restructuring may require budgetary or financial considerations. All inquiries with respect to these matters should be discussed with your agency's Treasury Analyst.

## 6.3 Machinery of Government

Where an agency is undergoing a significant Machinery of Government change, consultation with the Public Sector Commission is required. The Commission can provide further supporting information to assist agencies to manage the relevant aspects of this type of change.

## 6.4 Examples

As each change is different, no single template may suit every agency's requirements or culture. A selection of word documents has been included for agencies to use as a guide when developing their own change management program. The examples include:

- [Change management plan](#) (Appendix A)
- [Terms of reference for change management group](#) (Appendix B)
- [Example HR plan no. 1](#) (Appendix C)
- [Example HR plan no. 2](#) (Appendix D)
- [Evaluation questionnaires](#) (Appendix E)

The Public Sector Commission invites agencies to submit any change documentation to us that can be adapted into an example for other agencies to use.

## 7. Conclusion

Change is an ongoing and never-ending part of organisational life and leading successful change is incredibly difficult. This guide has been developed to assist agencies to achieve successful structural change. It outlined six change management principles that should be adhered to throughout the change. It provided a skeleton change process that was not a linear stage-by-stage process but an interconnecting cycle of activity that merges the beginning, middle and end of each process step. During the change process, agencies may face obstacles to change and some common obstacles have been outlined.

Such obstacles should be assessed and handled as risks to the overall change effort. With most structural change, both positions and people are affected. Here, the guide provides overarching governance information followed by advice on the application of that information. Finally, the guide provides examples and tools for agencies to use freely when managing their own change efforts.

Managing successful change in the public sector is a challenging and perplexing pursuit. Successful change is possible when the principles are applied appropriately, the process followed flexibly, and barriers recognised and considered suitably. All of which—principles, process and barriers—need to be applied within the context of the extent and scale of the change and adapted to suit the specific culture of the agency.

# Glossary

Glossary	
Affected employee	Employee whose position has been deleted, altered or moved as a result of the organisational change and who will become surplus if not placed in a position within the new structure.
Change management	The systematic management of organisational change within an agency.
Change management plan	The plan that agencies prepare when undergoing organisational change. The change management plan assists with a smooth transition.
Home agency	The employing agency or agency from which the employee was declared surplus. At all times, excess employees remain the responsibility of their home agency.
Merit	Generally refers to the relative suitability of people for a position, having regard to the duties of the position and the abilities, qualifications, experience, standard of work performance and capabilities of applicants relative to these duties.
Organisational change	Change that has significant effects on the way work is performed or services delivered, including new processes or changes in organisational structure.
Redeployment	The movement of a registered employee to an alternative public sector position following acceptance of an employment offer made under regulation 22 of <i>the Public Sector Management (Redeployment and Redundancy) Regulations 2014</i> .

## Glossary

Registered employee	An employee who has been registered for redeployment under regulation 18 of the <i>Public Sector Management (Redeployment and Redundancy) Regulations 2014</i>
Stakeholders	Individuals, groups of people or agencies who have a vested interest or involvement in the pending change
Surplus employee	An employee, whether a registered employee or not, who has been declared surplus by their employing authority.
Voluntary redundancy program	A program, approved by the relevant authority, in which voluntary redundancies are offered to a group of employees as a result of organisational change.

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