

**CONFERENCE PAPER #5
WORKING DRAFT, NOVEMBER 06**



**INSTITUTIONAL REFORM AND CHANGE MANAGEMENT:
MANAGING CHANGE IN PUBLIC SECTOR
ORGANISATIONS**

A UNDP CAPACITY DEVELOPMENT RESOURCE

**Capacity Development Group
Bureau for Development Policy
United Nations Development Programme**

November 2006

CONTENTS

	Page
ACRONYMS AND ABBREVIATIONS	3
EXECUTIVE SUMMARY	4
I. Introducing the Issue	5
II. Organisational Change - What have we learnt so far?	7
III. Managing Change – Tools and Methodologies in Implementation	8
IV. Guiding Principles for UNDP in Facilitating Change Management	14
 ANNEXES	 17
1. Annex 1: Case Studies	
2. Annex 2: Facilitating Change: Tools and practical guidance for practitioners	
3. Annex 3: Failure of Change Efforts – What to Look out For	
4. Annex 4: Bibliography	

ACRONYMS AND ABBREVIATIONS

ADB	Asia Development Bank
DFID	Department for International Development (UK)
ECDPM	European Centre for Development Policy Management
EFA	Education for All
FAO	Food and Agriculture Organization
GEF	Global Environment Facility
ILO	International Labour Organization
ISCED	International Standard Classification of Education
MIT	Massachusetts Institute of Technology
NORAD	Norwegian Agency for Development Cooperation
OECD	Organisation for Economic Cooperation and Development/Development Assistance Committee
UNCPSD	United Nations Commission on Private Sector Development
UNCTAD	United Nations Conference on Trade and Development
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNEVOC	United Nations International Centre for TVET
UNICEF	United Nations Children Fund
USAID	United States Agency for International Development
WBI	World Bank Institute

Acknowledgments

This note has been drafted by Bob Griffin (Independent Expert), Niloy Banerjee (UNDP/CDG), and Kanni Wignaraja (UNDP/CDG). Major inputs were also derived from a change management best practice note of the Asia region and complementary literature review by Katarina Kovacevic (Independent Expert). Rasheda Selim provided independent editorial comment. It has benefited from a technical review from Mel Blunt, James French, James Hern, and John Woods. This note has benefited from prior work on public administration reform (PAR) such as a UNDP Practice Note on PAR and discussions will be further continued during a January '07 workshop on institutional reform and change management to be held in Bangkok..

Contact Information:

Conference Paper series Production team, Capacity Development Group/BDP, UNDP:

Editor: Kanni Wignaraja, kanni.wignaraja@undp.org
Researcher: Dalita Balassanian, dalita.balassanian@undp.org
URL: www.capacity.undp.org

EXECUTIVE SUMMARY

Public sector organisations are often perceived as resisting change. Many public sector organisations seek capacity (the ability to get things done) but not change (a different way of doing old and new things). The introduction of increased use of appropriate change management strategies and methods in development cooperation will often be resisted due the difficulty of precise definition of their results and the uncertainty of their outcomes.

For many development practitioners change and capacity are distinct, but the evidence suggests that they are intertwined. Hence, it is important to understand what aspects of the status quo can be changed so that capacity development can take place. Identifying the boundaries of change management work is important as is identifying the risks and potential mitigation. Moreover, this is necessary in order to manage expectations accordingly.

Different actors in change process have different powers and exert different influences. Thus, there is a risk that change model may represent 'political fix' (reflecting the interest of the more powerful players) or a response to donors' pressure as 'external drivers for change' without a genuine commitment, thus risking failure of the change effort. Change initiatives need to have a powerful guiding coalition and endogenous support, hence the importance of focusing on power relations and dynamics in the institutional landscape, as well as taking a more objective look at the role of donors as either drivers or facilitators of change can not be overemphasized.

Change models and processes that aim to change the culture of the organization are difficult to operationalise, because of the inherent difficulty in uncovering the informal systems that guide peoples' behaviour. Hence, using a mix of insider knowledge and experience, with objective outsider (outside to the organisation undergoing change) expertise and facilitation is essential throughout the process.

Increasing utilization of appropriate change management strategies and methods will require:

- A highly flexible approach to result-based planning, budgeting and management that can capture process results and costing, as demanded by change management.
- Training for development agency personnel in process facilitation, negotiation and other specific change management methods and skills;
- Capacity development in this field requires experts, local and international, who have not only technical expertise but also coaching, management development and mentoring skills, to facilitate rather than direct.

Genuine change takes time. Hence, it is necessary that any capacity development effort is planned as a long-haul journey.

Section I: Introducing the Issue

The first and most obvious definition of “change management” is that the term refers to the task of managing change. Managing change is itself a term that has at least two meanings.

One meaning of “managing change” refers to making changes in a planned and managed or systematic fashion. External events may also necessitate organizational change. Hence, the second meaning of managing change - the response to changes over which an organization exercises little or no control (e.g., a rapid rise in the price of oil, devaluation of the national currency, civil unrest, new legislation, and so on). The recognition of the need for timely adjustment to external events has given rise to the concept of the “learning organization”, one capable of continuous adaptation to the changing external environment. Finally, change management refers to an area of professional practice and the related body of knowledge that has grown up within and around this subject, mainly as a result of experience in the private sector. There are many models for change management: business schools offer instruction in its theory and practice and consulting firms offer a variety of services to facilitate change. This body of knowledge focuses on change within a single organization.¹

For current purposes, it is very important to set the boundaries of what this paper is addressing: It is assumed that change is imminent – either as planned change, or imposed, or stimulated in other fashions such as by a crisis; it focuses on organizational change management processes and the lessons learnt and practices analysed in this regard; and once the need and rationale for change has been established, it goes about suggesting good practice from above, to affect change in public sector organizations.

The above formulation then consciously excludes a big patch where change often occurs i.e. the cultural or environmental aspects of change. This is deliberate in order to ‘boundary manage’ the scope of this paper. However, this is not to suggest that these are not recognized. The paper recognises that, for example, the challenge of HIV/AIDS prevention and care is almost completely one of behavioral and socio-cultural change. But for the purpose of manageability in this paper, we tackle these issues only in so far as they invoke concomitant change in formal public sector structures or rules of game such as a change in the manner in which the National AIDS Commission functions.

A typology of change

Change interventions fall into three main typologies:

- *Top-down change management* is based on the assumption that if managers plan things properly, change can be executed smoothly. The only obstacle comes from resistance of some employees, hence focus is on changing the culture of an organisation or the ‘way we do things around here’.
- *Transformational change management* relies on transformational leaders setting a personal example and challenging people to think ‘outside the box’ and innovate, while providing a safe environment for doing so.
- *Strategic change management* is based on a certain recipe and are in contrast with the top-down models in that they aim to introduce new behaviours at work, allowing people to witness the benefit for the organisation and, thus, based on the evidence, internalise the change in their ‘ways of working’.

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

¹ For the sake of consistency of approach, the paper will henceforth use the term “organisation” for both institutions and organisations, as defined in the change management literature.

Change Management and Development Cooperation

The business of development is about change. One meaning of “managing change” therefore refers to making changes in a planned and managed or systematic fashion. This is the definition that strikes a chord with development practitioners.

Change also happens in response to external stimuli. These stimuli may be of a foreseen nature (e.g. the need for a one-UN approach as underpinning change in the UN) or unforeseen (e.g. the Asian tsunami forced the Maldives Ministry of Finance, Ministry of Planning and Department of External Resources to drop their differences and join hands in planning the recovery phase, irrespective of who assumed charge of expanded ODA receipts, management and disbursement).

Development practitioners have adapted some change management methods under the banners of organizational development and institutional reform. “Change management” is commonly the name of a chapter in a handbook on organizational development. The content consists of a grab bag of “tools” for managing organizational change. This usage of change management is quite similar to the usage in the private sector. To the extent that development activities also focus on an individual organization, the private sector approaches may be relevant and may be applied after taking into account the differences between firms and public sector organizations.

However, as referred earlier, the “changes” promoted by development assistance may focus not only on an individual organization or a group of related organizations, but also on the larger development environment. For example, a development intervention may seek to mitigate cultural constraints that inhibit delivery of health services to people infected with HIV and AIDS; to change the legal and policy framework to address corruption in the public sector; to promote gender equity in the work place; or to ensure that elections are fair. In such cases, social, economic, political or cultural change may be the long-term goal. While various organizational actors may be involved in these changes, these interventions will also focus on concerned stakeholder and beneficiary groups. Here the relevant knowledge and experience comes not only from organizational development but also from socio-economic research findings and development experience in the areas of social change, communications, community development, agricultural extension, participatory approaches and social mobilization and other related disciplines.

UNDP’s systematic work in capacity diagnostics, is increasingly revealing these gaps in relation to affecting organizational and wider change. But UNDP is by no means alone in arriving at these conclusions. The World Bank (2000) reports two primary findings from evaluations of their programmes. First, their findings support the view that the quality of institutions is a key determinant of development impact. Secondly, despite the first finding, their evaluation reports consistently conclude that many Bank interventions do not adequately address institutional concerns, suggesting that the ‘mismatch between the requirements of successful institutional reform and traditional ways of going about the aid business’²

UNDP’s work under the aegis of capacity development has assumed the following cycle – assess capacity to diagnose assets and capacity needs; suggest strategies to meet those needs; cost and implement those strategies; and demonstrate impact through measuring change in capacity. While locating and operationalising this CD framework in the context of national development strategies, it has been found that many critical public sector agencies/institutions are in need of change if they are to meet their expected contributions towards nationally agreed goals, such as achieving the MDGs. And this refers to both their ‘soft’ systems (such as motivating staffing) as well as in their ‘hard’ systems (such as upgrading accounting and monitoring systems).

² “Literature Review on Institutional Reform and Change Management”, UNDP/BDP/CDG, July 2006, p.10.

Section II. Organisational Change - What have we learnt so far?

From a review of change management processes in countries, the paper distills some lessons from practice. Annex 2 speaks in more detail to some of the breakdowns of change management efforts that one must be aware of as one proceeds.

Change management in development is not understood

The issue of organizational and institutional change is accorded relatively light treatment in practical development situations. There is little grasp of the issue and not even the language to articulate organizational change issues. Conversely, insufficient understanding of the development context, in particular, the constraints embedded in bureaucratic systems, organizational culture and the structure of human interactions can be a stumbling block to change management processes. The civil service of Afghanistan needs a rationalization of its incentive structure. It currently has seven different salary scales depending on who the salaries are meant for (returning exiles; expatriates; lateral recruits from Universities) and who is paying the bill (for instance, specific donors support salary supplementation schemes in select ministries)³. It needs to harness the motivations of exile Afghans wishing to return and contribute to the building of their nation, and balance that with that with longer term salary reform. This is a highly complex and highly political process. Therefore, defining a clear (and better yet, inspiring) vision for the change initiative in the relevant public sector organization, and how it impacts the larger development goals of the country is a necessary place to start.

Change management is unguided

Institutional/organizational change is hard to conceptualize for public sector organizations and harder to apply. Codification of empirical knowledge to guide the operational manager becomes a huge boon to this process. *Organisational leaders tasked with managing change are engaged in 'a great venture of exploration, risk, discovery, and change, without any comprehensive maps for guidance'* (Senge, 1999). A mapping of change management process steps, and ensuring it is consulted on, widely disseminated and agreed to, is key to its relevance and effectiveness.

Beyond a mapping of steps, guiding the process step-by-step is critical to its success, with internal champions playing the primary role and facilitated by process facilitators as required. One of the most intractable challenges that UNDP face is that of finding experts, be they national or international, that have skills in mentoring and facilitation. While consultants who can produce technical "deliverables" are required, there is also a need for those development practitioners and consultants with skills in the areas of process facilitation for coaching, leadership development, management development and change management training. This is an area of capacity development expertise, and can be teamed with the needed sector or theme-specific technical expertise. In Timor Leste, UNDP's support to capacity development in the civil service is actively building in a system of measuring performance of both technical experts and counterparts that goes beyond the assessment of hard deliverables and focuses on skills of mentorship, transference of capacity and facilitation of change.

Change management results are unpredictable

Change management exercises are highly unpredictable in terms of what they achieve. Experts agree that most change projects fail. Pascale (1999) suggests this is the case for 80% of change programmes. Management experts' opinions converge on several causes that can derail change efforts.

What we do know is that change management shifts roles and capacities of different actors, which in turn shifts the existing bases of power. Building in risk assessments and accounting for such initial instability, while managing its boundaries through managing peoples expectations and concerns, is a necessary part of organisational change strategy.

³ See, Capacity Development in Action Series: The Afghanistan Case Study: Capacity Development Group/BDP; 2006

Putting in place clear and consistent messages regarding the change process, regular and open stakeholder consultations, airing of grievances, and putting in place feedback and learning mechanisms to enable adaptation during the course of the change process have been essential to those more effective change management processes.

Change Management is not supported

Failure to motivate or convince leadership and middle management of the need for change often leads to the unraveling of a change process, and certainly does not enable the sustainability of even early results. A key result could be one that requires a cross-departmental response that needs the buy-in of all. The Planning Commission of Bhutan, for example, needs a unified M&E framework and reporting format aimed to facilitate results outcomes for all its divisions – strategic planning, statistical data bases, monitoring etc. It needs to move out of the currently prevailing myriad of M&E frameworks – one for each division. The need here to focus on facilitating teams and constituencies for introducing such a system change within the organisation.

The early identification, and addressing of, the sources of resistance to change (in other words, facing up to the reality that change produces winners and losers), is a must-do action. Doing so also involves addressing the values, norms and cultural aspects of stakeholders that are relevant to the change effort, both inside and outside the organization. Bringing in the organisations clients, where possible, to be a part of the process is useful in this regard.

Change Management results cannot be sustained

It is often difficult for leaders and managers to persevere and maintain focus on the change initiative. Where this is seen to be working, a focused effort to nurture the change environment and reward incremental successes is evident.

As shown above, the summary distilling of lessons and addressing the gaps in Change Management, show how this contributes to capacity development, and when amiss can detract from organisational capacities essential for public sector development. From the lens of the capacity development practitioner, the missing link in the above situations is often the lack of adequate understanding and know-how of managing change in organizations. Investments in capacity development – in training, coaching, mentoring, leadership development, incentives, client responsiveness and so on – are essentially founded on weak ground unless these are accompanied by organizational change of the kind discussed here.

Developing leadership skills, clarifying roles and getting stakeholders on board are all necessary for successful change interventions. However, paying attention to soft aspects of organisation, such as culture, is also indeed as these factors are often paramount determinants of the real direction and pace of change.

Section III: Managing Change – Tools and Methodologies in Implementation⁴

Knowledge and experience of managing change comes not only from organizational development but also from socio-economic research findings and development experience in the areas of social change, communications, community development, agricultural extension, participatory approaches and social mobilization, needs assessment and other related disciplines. A framework is proposed, from a wide-ranging trawl of the state of the art in change management from the private sector and allied literature from the public sector like in Public Administration Reform (PAR), combined with the empirical experience of UNDP in supporting change management, often in challenging development or post crisis conditions.

Successful change management strategies attempt to improve planning processes so that results will be defined that are acceptable to stakeholders, are achievable and sustainable. They attempt to

⁴ For more information on change management tools, please see Annex 2.

improve implementation processes in order to strengthen local leadership and ownership of results among all stakeholders. Drawing on these principles, a four stage change management process is being increasingly used by UNDP's work in this field.

Change, irrespective of what causes it (internal entropy/external stimulus), how it is undertaken (planned or imposed) and what combination of techniques is used (hard system change or soft system change), is about two broad processes: a) managing the environment of change; and, b) executing the change itself.

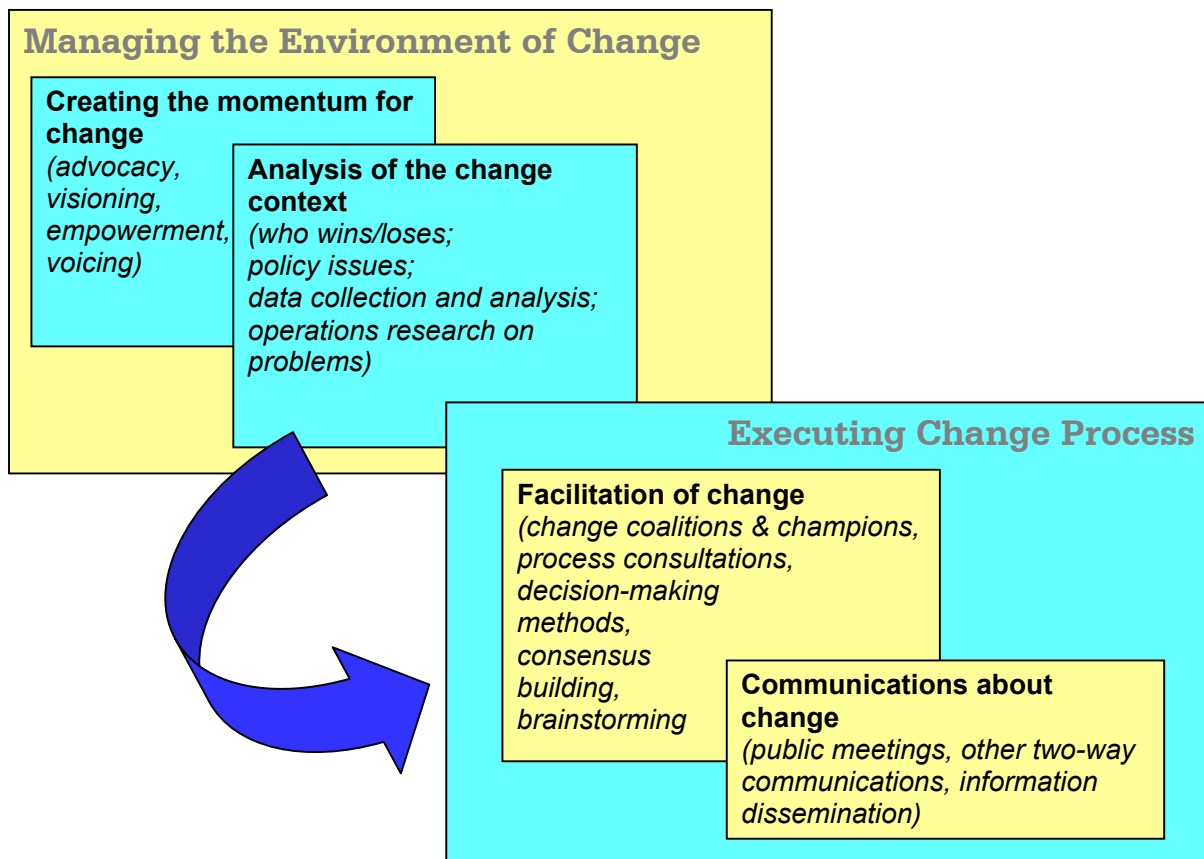
Managing the environment of change subsumes two main areas:

- A. Creating the momentum for change including making the case, visioning, empowerment and voicing activities; by definition, this is step for the leadership to principally act upon.
- B. Analysis of the change context including diagnosing issues of who wins, who loses, social, cultural, legal and policy issues; data collection and analysis; and operations research on problems.

Executing the change process: here an enabling role is foreseen again in two areas:

- C. Facilitation of change including building change coalitions and harnessing champions, process consultation, decision-making methods, consensus building, and brainstorming, all informed by factual information and analysis.
- D. Communications about change, including public meetings, various other forms of two-way communications, and information dissemination.

Figure 1. A framework for change management in public sector organisations



Some elaboration of the categories above are provided in the following pages, through the methodologies and tools used in their implementation.

A. Creating the momentum for change: Some methods analysed in application, for motivating change include:

a.1) Advocacy activities - Change management activities may attempt to influence the development agenda by providing direct support for advocacy activities on globally or nationally agreed positions, such as, human rights, gender equity or HIV/AIDS prevention. Advocacy activities are also common at the sectoral level in motivational campaigns for, *inter alia*, family planning, the use of mosquito nets, staying in school, and getting children vaccinated. In the organizational context, this would include sharing the rationale for change openly and transparently with key stakeholders, mainly employees.

Addressing Gender-Based Violence: Many NGOs have launched programs to promote changes in attitude and practices related to gender norms and violence against women, both within the work place as well as in communities. The few that have been carefully evaluated suggest that such advocacy campaigns, using organisational or community-level approaches, can be effective in changing violence-related attitudes and behaviors. “Edutainment” – using radio and television to promote changes in attitudes and behaviors – has worked well for other issues and is now being tried for violence prevention⁵.

a.2) Visioning - This activity enables stakeholders to review fundamental questions in order to generate a vision for the future. Visioning is “a strategic planning process, there are four fundamental questions: ‘Where are you now? Where are you going? Where do you want to be?’ and ‘How are you going to get there?’⁶ Visioning seeks to create consensus and commitment among all stakeholders to a vision for the future.

Defining a vision and having a broad consensus on goals and values to guide organisational change is an essential step in systems change. It is critical to building support for change among stakeholders and within the organisation itself. Such visioning can precede a change management exercise. These can even be the alignment of longer term vision and values – a key component of coalescing guiding coalitions for change.

Higher Education in Tanzania: Following the decision to embark upon a process of self-renewal and reform, the university undertook two tasks to lay a firm foundation for the programme's implementation, namely: gathering data on the university in order to give the community a broad awareness of its strengths and weaknesses; and drafting a corporate strategic plan to guide the reform process.

After intensive debates, discussions and consultations, the University Council approved the Corporate Strategic Plan in August 1994. The document, which touches on all aspects of the institution, covers the basic concepts, aspirations, goals, objectives and philosophy underlying the envisaged reform process. Its five sub-themes are: Mission, objectives and functioning; Corporate set-up (ownership, autonomy, governance and administrative structures); Inputs (management styles, policies, planning, finance, backup services, personnel and student welfare); Outputs (principles underpinning academic activities such as undergraduate and postgraduate studies, research and consultancy). Although the strategic plan was not prepared by planning professionals, it accurately captured the vision, sentiments and wishes of a broad spectrum of people concerned about the future of the institution⁷.

a.3) Empowerment and Voice - They seek to strengthen the capacity of stakeholder organizations that represent or advocate for groups that may be discriminated against or are otherwise

⁵ Addressing Gender-Based Violence in Latin America and the Caribbean. *En Breve*, World Bank, January 2005

⁶ Mazur, Helen, “Strategic Visioning” in *The CEO Refresher*, 2002

⁷ The Partnership for Higher Education in Africa web site, Tanzania Case Study

disadvantaged. Empowerment and voicing activities enable these groups to make their views known and mobilize their support for a change agenda.

The Peru Poverty Dialogue: Following a poverty assessment in 1997 which suggested that duplication and lack of synergy among development actors were likely to hamper further gains in poverty reduction, the World Bank suggested the establishment of an inclusive forum for plural debate and action. In 1998, with the agreement of other donors and the government, the National Poverty Dialogue was established. The objective: to share experiences and information and promote better use of poverty reduction resources in the country. After three sets of decentralized, theme-specific poverty dialogues during 1998-2001, the National Poverty Dialogue is an institutionalized plural space. A diverse set of stakeholders - Government, civil society, private sector - came together to share experience around three themes: (i) techniques for monitoring and evaluation, (ii) access, quality and coverage of basic services, and (iii) employment and income generation. As a result, information has begun to flow more regularly among actors and some specific collaborative acts have been undertaken, creating an environment that encourages open debate. Under the transition government, the true fruits of the Poverty Dialogue finally became apparent. The government, recognizing the need to institutionalize plural debate and create country ownership around development strategies, issued a presidential decree, firmly establishing the forum. In addition, the government asked the Dialogue to design and implement the establishment local coordinating bodies (*mesas de concertación*) to plan and monitor of all public funds allocated for poverty reduction. Today, the mesas have become an important element of the various accountability and transparency mechanisms used in Peru which aim to give citizens more influence in the formulation, implementation and evaluation of public policy as well as ensuring that institutions and officials are held accountable. These transparency and accountability mechanisms provide the opportunity to promote a new level of accountability and scrutiny as well as promoting “voice” in public policy processes⁸.

B. Analysis of the change context: Popularly used analytical methods that can support change efforts and contribute to decision-making include:

b.1) Stakeholder Analysis and setting the baseline - The purpose of stakeholder analysis is to identify stakeholders in a given development intervention; to analyze their knowledge, attitudes and practices in regard to the underlying issues, and to classify them in terms of their functional roles. The pivotal aspect here is to assess which stakeholders are likely to be net gainers and which net losers. For the losers to not act as dampeners on change, it is important to take this opportunity to find areas where win-wins for all can be demonstrated – often in an inter-temporal sense⁹. A SWOT analysis (strengths, weaknesses, opportunities, threats) could be an alternative approach to direct stakeholder analysis. A clear understanding of the positions of various stakeholders is essential for project planning and implementation.

b.2) Operations Research - Problem-oriented analyses are commonly necessary to support decision-making or to gather additional factual information about, for example, the status and needs of beneficiary groups, the potential impact of proposed changes, or the actual impact of changes as they are implemented.

Ministry of Health, Malaysia: In 2004, the Ministry of Health in Malaysia carried out an evaluation to support a 5-year planning exercise. One example from the research findings dealt with the trends in service statistics for both in-patients and outpatients. This example illustrates how the evaluation data influenced decision-making. The trend for both in-patients and outpatients was still slightly upward in absolute numbers. The initial conclusion was that since the total numbers were still going up, the demand for public health service was still increasing. However, the analysis then factored in population growth to get utilization per capita. These results showed that, in relative terms, the trends were downward. In other words, due to better health or increasing prosperity, the demand for public health services was actually declining on a per capita basis. Decision-makers got the message and decided to significantly curtail what had been an annual programme of building new hospitals and health centers¹⁰.

⁸ Empowering the Poor: Engaging Civil Society in World Bank Operations *En Breve*, World Bank November 2002

⁹ See for instance, Shekhar Singh in UNDP Development Policy Journal, Volume 2, 2000; a hypothetical case of loggers, conservationists and the community is posited for net gainers and net losers analysis.

¹⁰ James Herm, ACTS Inc., in correspondence with the author

C. Facilitation of change: Methods studied for guiding change processes include:

c.1) Process Consultation¹¹ - This is the engaging of individuals to facilitate change processes. A process consultant enables “learning by doing” and thereby facilitates organizational learning in contrast to the normal practice in consulting, the production of “deliverables”. Learning, including making mistakes, nurtures the stakeholders’ sense of ownership in the changes and the change process¹². Process consultants seek to build trusting relationships with their clients, constituencies for change and consensus on the direction of change. They start with whatever problem the organization is addressing at the time in order to gain experience and build trust. They identify, endorse and promote leadership in the various stakeholder organizations that will “own” as well as lead the change process. Such ownership is essential for sustainability. Change that is locally owned is sustainable; change that has been prescribed by outsiders usually isn’t. Process consultants allow the change process to move at its own pace on the basis of the stakeholders’ readiness for change rather than arbitrary plans and schedules. Nevertheless, process consultants can structure the change process by focusing on decision-making. This entails sequencing activities so as to logically lead to decisions; ensuring open processes to maximize the flow of new ideas and engender commitment from stakeholders, and empowerment of leaders to exercise their powers.

Karachi Water Board: A Swedish consulting firm was contracted under a World Bank project to assist the Karachi Water Board to plan and implement management and organizational change. They took a linear consultation approach for about 18 months and then realized they were getting nowhere. They discovered that all real decisions were made informally, not through the formal structures and procedures. Therefore, the consultants gave up on working through the formal system. Instead, their interventions were built around having tea with the right people and building personal relationships. Over time, and when they were asked, they began to slip in small suggestions for change. In the end, the consultants didn’t achieve the project’s objectives, but they did make some change – with an indirect, informal approach built on the strength of the human relationships they had established¹³.

c.2) Consensus-building exercises - As options for change emerge, there is a need to build consensus so that decisions can be taken and the change process can move forward. Consensus building activities build constituencies for change to ensure momentum for change is not dissipated in in-fighting among stakeholders about details. These activities can also overcome resistance to change and entail opportunities to discuss or ascertain real v/s apparent agendas.

c.3) Leadership is the key component of successful change. Leaders are in a position to bring passion and conviction for change and increase organisational performance through strategic thought, building partnerships and facilitating changes in organisational culture. Public agencies also need political champions who provide long-term support on the public policy agenda and guide reform.

The Asia Young Leaders for Governance: This programme is an initiative aimed at creating a critical mass of young change makers in the region who work in government or whose work supports good governance. By reaching ever-increasing numbers of young leaders in pivotal organisations, the programme aims to create the momentum for change in favour of good governance in a range of important organisations in each country. Typical alumni of the programme include Members of Parliament, civil servants, human rights lawyers, Election Commission staffers, Mayors, journalists and NGO activists. The participants are trained in thematic modules e.g. corruption, as well as functional, cross-cutting skills modules like negotiations, systems thinking and cross-cultural communications.

¹¹ Refer UNDP Guide on Process Consultation, 1990.

¹² See learning organization processes – internal incremental learning through step by step do-review-plan-do processes.

¹³ James Herm, ACTS Inc., in correspondence with the author

c.4) Stakeholder participation and brainstorming for innovation - This is a well-known technique for generating new options for decision-making and implementation. In the context of wide (diverse) stakeholder participation, brainstorming can surface ideas for discussion across the spectrum of opinion on various issues and possible (creative) solutions.

Agricultural Research and Extension in Latin America: The Latin America and Caribbean region has been undergoing an evolutionary process in its agricultural research and extension systems in recent years. This transformation of agricultural innovation systems has been explained metaphorically as following the nature of an “intelligent living organism” that must learn and adapt to changes in its environment in order to be successful. What was once a linear process, driven by a top-down action plan where research and advisory services were dominated by government agencies, is slowly being transformed into a network of diverse stakeholders influencing the process of agricultural innovation. Traditionally, the unidirectional process of research and extension has been initiated by an agricultural agenda defined by the central government, for which the national agricultural research institutes were tasked with identifying strategies to address these priorities. The research was then implemented and finally its results disseminated to the farmers for adoption. The current incarnation of agricultural innovation systems have been typified by the engagement of a wider set of actors, including universities, farmers, input suppliers and other private sector interests, who offer their unique insights to feed the process of innovation in a practical and demand-driven manner. As such, the concept of “innovation” extends beyond formal research and development to more effectively incorporate learning through experience, which has proven more circular in nature, with the intention of more directly contributing to improved rural livelihoods¹⁴.

D. Communications about change. Methods and tools commonly used include:

d.1) Multi-media communications activities - Factual information and stakeholder positions should be communicated widely to all concerned parties. Stakeholders have a right to know the facts and to be assured that the change process is proceeding in a transparent manner. Communications activities could include, for example, information dissemination through mass media, such as newspapers, radio, television and the Internet and informational presentations for interested groups.

d.2) Interactive communications and public outreach – This includes surveys, report cards, TV and radio discussions - provide officials with the opportunity for presentation possible solutions, for sharing of information and for dialogue with stakeholders. Other two-way media or activities – focus group discussions, hotlines, Internet chat rooms, web-sites – can be used for obtaining ideas and feedback from stakeholders.

d.3) Measuring and celebrating progress - Much of the change management process has uncertain outcomes; hence monitoring their impact presents a challenge. Strengthening organisational performance and focusing on process indicators of change can ensure celebrating early wins, create learning and ensure continuous support for change. It is important to recognise that both short-term “wins” and longer-term reform are important. Capacity development initiatives must reinforce progress and allow for corrections where needed which makes the measuring and reporting on progress important. The designing of a results-based framework in this regard is important.

In the programming cycle, it is possible to measure change by assessing the same capacity over periodic intervals e.g. measuring the financial management capacity of an organisation over time and comparing scores. Measuring progress, seeking feedback, and continuing to adjust and improve are all important for following through on change programmes. Strengthening performance management systems of public sector agencies contributes to enhancing capacity for sustaining change. But all measurement should not be self-measurement. For public sector organisations to be accountable, change must be measured by users, clients or stakeholders.

¹⁴ Institutional Reform in Agricultural Research and Extension in Latin America and the Caribbean, *En Breve*, World Bank, May 2006

In 1994, the citizens of some areas of Bangalore, India rated their service providers on report cards. In 1999, the same exercise was carried out and improvements and failures were recorded and discussed in the media. Much had changed between the two report cards. The most important change was that the service providers and clients had evolved a culture of discussion and dialogue for jointly exploring the challenges relating to service delivery in Bangalore.

Section IV: Guiding Principles for UNDP in Facilitating Change Management

The construct in the preceding section is a useful one to organize change efforts around operational work on capacity development. There are however, certain issues that need to be flagged for constant review and learning, and these form the basis of UNDP's approach to managing change in organizations and institutions. So we come full circle, to where we began with lessons learnt.....

1. Change is political

In many UNDP programme countries in the world, the boundaries of pushing change and reform are set by what is acceptable at the political level. In many countries for example, human rights and rights based programming has to be couched in language like 'inclusive governance'. *Understanding the context of change* is therefore of utmost importance. Organisational change should begin with an assessment of the change landscape and the organisation's position in it. Assessments should consider, inter alia, the organisation's current capacity, performance, leadership, systems, services and stakeholders and the interplay of these in the wider institutional context. DFID, a strong advocate of the 'Drivers of Change' approach, conducted an analysis of the context in Bangladesh for identifying key drivers of change. The following list of nine potential drivers of change is the result – the media, civil society (including NGOs, community organisations, business associations, independent research and advocacy centres and professional associations), Bangladesh's development partners, reform-minded public servants and the Bangladeshi Diaspora.

A major implication of this line of argument is that technical competencies for reform often need to be matched by awareness of what is acceptable in the local context, sensitivities and knowledge of what should be reasonable expectation in a given context. UNDP Country Office local staff often play this role vis-à-vis policy advisors, technical assistants or external consultants. They act as a sounding board for the feasibility of ideas, constructs and others proposals. The Laos GPAR (governance and public administration reform) programme, a successful model of context sensitive innovation, is one of UNDP's oft-cited success stories.

The process of managing change must include frequent and innovative attempts at building consensus, demonstrating benefits, dialoguing and communicating.

2. Change is normative

Change efforts are significantly normative in nature. Positive change is driven by coalitions of aligning interests, soft systems like motivation, ethics and pride and fundamental transformational issues starting with individual transformation in attitudes, values and behaviour. There is significant literature covering most of these areas. UNDP's Leadership for Transformation initiative on HIV/AIDS drew on the work of Ken Wilbur and others to demonstrate that change occurs primarily in the individual realm. ECDPM's recently concluded work linking capacity, change and performance suggests, inter alia, that often the task of leaders is to provide a 'protected operating space' in which change, innovation and capacity development can happen. Applying a systems thinking filter to managing change would suggest that the best that a UNDP manager/advisor/practitioner can do is to anticipate, as accurately as possible, the virtuous (or reinforcing) loops that change processes set off and offset the vicious (or dampening) loops. The amazing impact of micro-credit interventions on women's empowerment in Bangladesh is a perfect example of an unanticipated spin off that sets off a virtuous cycle of benefits. Cultural and value issues often dictate change outcomes. It is striking to see that Afghanistan has attracted back the large number of exiles that have committed themselves to making a change in the country. In other words, the ability to engineer and construct change through shop

floor processes, while valid, still remains somewhat limited in its reach and most change occurs more in the realm of behaviour, ethics, values, soft-systems incentives and so on.

3. Coalitions of aligning interests is a pre-condition for change

Creating a critical mass that agree on a roadmap for change is key. As argued elsewhere in this paper, change happens when 'guiding coalitions' or a critical mass of champions coalesce around the felt need for change. These may be associations of convenience or of bona fide conviction. Be that as it were, the necessity of these coalitions remains an undeniable fact of change management. In 1991, when the economy of India faced a sudden unanticipated shock through the rise on oil prices and the drying up of repatriation from Gulf-based workers of Indian origin owing to the first Iraq war, the possibility loomed large of the country defaulting on her loans for the first time ever. This stimulus created an amazing coalition for change – ranging across the political spectrum – and ushered in fundamental reforms in the Indian economy which laid the foundations for the high growth rates that the country is seeing now.

The creation of a change coalition must be accompanied by an agreed roadmap for change. In other words, co-creating a plan to achieve the shared vision or the common goals for changing the organisation is essential for successful change. In combination, these serve to create the alignment of interests for change.

Development of a coalition for supporting institutional reform, particularly when facing adversity or opposition, requires an understanding of the logic and concerns underpinning different stakeholders' positions. Managing opposition to change often requires a combination of incentives and facilitating processes that enable entrenched interests to see their own benefits within a milieu. Incentives can sometimes be of a financial nature but are most often non-monetary. Financial incentives carry with them the associated risks that organizations will buy the substance but not the vision of change. Non-monetary incentives, such as creating opportunities to learn, developing merit-based systems that reward performance and enabling a creative working environment are often more powerful. Adequate and appropriate incentives could bring about significant change in attitudes and increase overall organisational performance.

The issue of incentives in public sector organisations can get somewhat fuzzy because they can, and often do, struggle with defining and measuring their targets, which contributes to change efforts becoming elusive. There is therefore an important rationale for strengthening local capacities for visioning, planning and results definition.

4. Embedding change messages in social and organizational culture

Prescribed change is likely to be resisted the most. It is therefore important to evolve language and methodology for change that is consistent with norms and values more generally but also with the culture of the organization [which tend to be interconnected categories]. The consultants working on the reform of the Karachi Water Board found that conversations entailing sitting informally with employees and joining them for cups of tea was a more effective platform for discussing and affecting change. Change coalitions and roadmaps are beset by challenges of organisational culture. It can take a while for staff to come to terms with changes in the culture of their work place – 'the way we do things around here'. The organisational culture in many developing countries is based on hierarchy, command, and duty and patronage, with little incentive for staff to be creative and innovative. Capacity development for change, therefore, needs to pay attention to aspects of organizational culture as indeed these factors are often decisive determinants of the real direction and pace of change.

Over time, organisations must build a deeper understanding, update strategy, and become better at managing change. Hence, organisations need to conceptualise organisational change as a relatively normal phenomena and, as a continuous process, not something to approach with trepidation. Helping organisations to manage their knowledge more effectively and change into learning

organisations will enhance their understanding of change and increase their capacity to internalise change quickly, thus enabling adoption of continuous change process.

5. Communicate, communicate, communicate around change

Change must be communicated at all stages. In the conception stage, communications for inclusion ensure that stakeholders buy in and are less likely to become potential resisters of the change process. Communication also helps to dispel uncertainties and mitigate the potential threat it poses to those that see themselves as likely to be impacted by the change. This also implies that all stakeholders must be afforded the opportunity to input into the design of change – or at least, as much as is practically feasible.

The other aspect of communications is also a key one. Once change processes have been undertaken, a process of sharing, communicating (even advocacy) around its outcome and implications with all stakeholder groups is important.

UNDP and UN country team staff have a key role to play in communicating change practices, building consensus and coalitions for change, and then enabling the change through process facilitation, negotiation, conflict management, analytical skills, advisory skills and specific change management methods, is clearly a critical input. In many countries, where the UN that has the credibility and trust of counterparts to be able to suggest transformational change and work with the government to affect such on a day to day basis, UNDP and UNCTs need to ensure the mix of skills in this field, to enable them to facilitate such change management processes.

ANNEXES

Annex 1: Case Studies

Case Study #1: A Training and Motivation Strategy for Family Planning in Thailand

Though the family planning program of Meechai Viravaida's Population and Development Association in Thailand has been widely publicized, it was the Royal Thai Government's National Family Planning Programme (NFPP) that in fact was largely responsible for the rapid fertility reduction that occurred in Thailand in the 1970s and 80s. A UNDP regional training and communication project played an important supporting role in the successful development of the NFPP at the Thai Ministry of Health.

With funding from UNFPA, the UNDP regional project worked with the Ministry of Health to implement a project titled, "Family Planning Communication Development and Integrated Campaigns". The immediate objectives of the project were to build up the personnel resources of the Family Health Division (FHD) of the Ministry for training and motivational activities and to provide support for all FHD communications activities in support of the NFPP. In other words, capacity building and communication support.

While this project sounds like a straightforward technical assistance and direct support project, its origins and the manner in which it was implemented are the interesting bits.

First, the preparation of the project had a long gestation period, during which time, the UNDP regional project advisors used process consultation. The first request for assistance was to review only a programmed instruction manual for in-service self-learning within the FHD. The existing draft of the manual wasn't satisfactory. The starting point was therefore a real client problem. The advisors worked slowly with the FHD following a "learning by doing" approach that gradually led to an overall review of the entire training effort and eventually to involvement with the mass communications component of the NFPP. By helping the FHD deal with a practical problem in a manner that enabled self-learning, the UNDP advisors built up a relationship of trust that led to the development of the large scale training and communications project.

The early stages of project recognized the need for stakeholder analysis as essential for the preparation of workable training and motivation strategies. The advisors worked with the FHD to identify 18 stakeholder groups in three large categories: 1) high level policy-makers and programme managers who had to be motivated to approve and support programme activities; 2) health personnel; and 3) the rural population, the target beneficiaries of the programme. Operations research on knowledge, attitudes and practices of these groups enabled the project team to create effective training and communications strategies that would take stakeholders views and sensitivities into account.

This relationship between the UNDP advisors and the Ministry of Health kept evolving and expanding for several years. After eight years, the UNDP advisors were able to move into basic organizational development issues at the Ministry using a senior organizational consultant to address fundamental issues of organizational structure and decision-making. Despite the confidence that had been built up over the years, there was still resistance to organizational change to be overcome.

To sum up, the change management dimensions illustrated by this project include: the use of process consultation to gradually build trust and enable national leadership to lead the project; the establishment of a long-term relationship, essential for capacity development; extensive research on stakeholders and beneficiaries to enable development of effective training and communication strategies; the recognition of the need to win support of policy makers and managers; and an evolution from small client-identified problems to major organizational development issues.

Case Study #2: The Training and Visiting System for Agricultural Extension

During the 1970s and 80s, the World Bank established a model for agricultural extension called the Training and Visiting system (T&V) in several countries. The model was derived from an approach used on agricultural kibbutzim in Israel. What is interesting about the model is that it is almost entirely content-based with a distinct lack of change management strategy. The T&V model was ineffective and as such provides an example of the consequences of the failure to apply change management strategies.

The T&V model was attractive for its simplicity. Agricultural extension field workers would be trained every two weeks during growing seasons. The training topics would correspond to the current stages of crop growth. For example, at planting time the training would cover recommended planting practices. After training the extension agents would follow a regular itinerary of village visits. At each village they would meet with farmer groups and convey their fresh knowledge of recommended practices. Two weeks later, the agent would return with a new set of timely recommended practices.

T&V required Ministries of Agriculture to hire large new armies of extension workers, preferably energetic young agricultural college graduates. The World Bank provided loans to fund the new recruitment and support salaries for a few years, after which time the economic value of the incremental production would supposedly clearly offset the financial cost to the government of the new field workers.

In retrospect, the T&V system relied on some breath-taking assumptions. Foremost among these was the assumption that information was the critical missing input that was keeping subsistence farmers down. Second came the assumption that government researchers had appropriate technical information ready for transmission to farmers. And third was the assumption that farmers would respond to the advice of young graduates, many of whom had never actually farmed. Basic stakeholder and operations research would have revealed that all of these assumptions were untenable.

As any beginning rural sociologist knows, subsistence farmers are quite rational and many inter-related variables affect their agricultural decision-making¹⁵. Modern technical information brings with it untested, therefore risky, practices and may require unaffordable inputs, such as fertilizer. In addition, technical recommendations may require more of his time and he may decide his time is better spent at non-agricultural employment or leisure. Review of the second assumption exposes an inconvenient reality: that much agricultural research in developing countries is too far removed from farm conditions to be readily applied. Thus, the T&V content was of dubious value. Finally, in most developing country cultures, juniors do not advise seniors. Despite their educational attainments, young graduates are not in a position to advise their elders nor does their book learning necessarily impress real farmers. The lack of field research also resulted in extension workers arriving in villages during the day to "deliver their messages" while all the farmers were out in their field working. Only by imposition of their status as government officials could the extension workers assemble the farmers.

To sum up, lack of basic stakeholder analysis and field research led to the wholesale adoption of an inappropriate technical solution for agricultural development. The extension work training and face to

¹⁵ French, James H. with Ulla Blicher-Mathiesen. "A Framework for Analysis of Farm Household Decision Making" Agroforestry Investment, Production and Marketing: Report of International Training Course. FAO Asia-Pacific Agro-forestry Network (APAN), Bogor, Indonesia, 1995.

face advocacy and communication strategies were ineffective due to lack of basic data on the knowledge, attitudes and practices of stakeholders and beneficiaries. The overall T&V model derived from conditions on Israeli kibbutzim whose members were highly motivated to increase production. This model is almost military in its regimentation. In other words, in the absence of any process consultation among researchers, fieldwork and farmers, there were no feedback and therefore no opportunities to adapt service delivery to the needs of beneficiaries.

Annex 2: Facilitating Change: Tools and practical guidance for practitioners

This is a listing of some potential tools that may be useful in affecting change management. By definition, managing change involves the coming together of different aspects of capacity development work – diagnostics, leadership development, organisational development and so on. The below is an eclectic references of these tools.

[UNDP's Capacity Assessment Practice Note](#) explains the basics of capacity assessments-concepts, entry points, and methodological issues. The Note includes a review of selected organisational assessment tools and develops a default UNDP framework and tool to assess the enabling environment/national level capacity.

Change forecasting- Tool developed by DFID that helps identification of interventions that promote change, assists in the measurement of performance and in the assessment of particular sectors where reform may take place.

Open Systems Model- This model is recommended for a diagnosis of the strategic/institutional environment, and organisational problems.

[7-S technique-](#) This technique describes 7 key interdependent organisational variables that need to be taken into account in organisational design. It facilitates understanding of both strategy and structure, as well as management style, systems, procedures, skills and values in the organisation.

SWOT analysis- This is a tool for assessing and communicating the current position of an organisation or a particular change option in terms of its internal Strengths and Weakness and the external Opportunities and Threats it faces.

Problem Tree Analyses- this analyses helps to illustrate the linkages between a set of complex issues which contribute to an institutional problem and identify the underlying causes.

Soft System Methodology (SSM)- SSM focuses on facilitating better understanding of issues or problems among actors. The value of SSM is in enabling creation of more ideas and opportunities for change that contribute to achieving 'accommodations' between different actors with their differing interests and values (Checkland & Scholes, 1990).

Balanced Scorecard- This tool was originally developed to expand the ways in which organisations measure beyond the financial dimension and it has become an effective tool for encouraging alignment and developing cultural change. The Balanced Scorecard approach insists that management track four different types of measures: Financial measures, Customer measures, Internal Business (Process) measures, and Innovation and Learning measures. Using the Balanced Scorecard approach, and organisation identifies corporate objectives within each of the four categories, then aligns the management hierarchy by assigning each manager his or her own scorecard with more specific objectives in each of the four categories. Properly used, the system focuses every manager on a balanced set of performance measures ([Kaplan & Norton, 1992](#)).

Content, context and process model- Helps identify factors important for shaping organisations' performance and provides diagnostic checklists which can be used to assess the likely reception of a particular intervention in a specific locale.

Five Why's- Tool that helps get to the root of the problem and helps managers resist the temptation to deal with symptoms rather than causes.

Stakeholder management- This is a technique to identify the individuals or groups who will be affected by the changes or have the ability to impact on the change process. It also helps develop a strategy to manage these stakeholders.

[Process consultation](#)- This form of management consultation aims at initiating and sustaining process of change and continuous learning for systemic improvement. Process consultation suspends power and hierarchy, thus providing space for change. Moreover, it places the responsibility for change upon the members of the organisation, hence securing their ownership for the best change proposals ([UNDP, 2003](#))

[Future search methodology](#)- This approach brings together stakeholders to explore past, present and future; identify shared values and commit to actions plans. Future search brings stakeholders together as peers working on tasks of mutual concern ([UNDP, 2003](#))

Total Quality management (TQM) – process that aims to establish organised continuous improvement activities by involving everyone in an organisation in an integrated effort toward improving performance at every level. The focus of TQM is on processes of work rather than on the workers themselves. Through a process of data collection, analysis, hypothesis formation, and hypothesis testing, changes to processes can be devised and introduced steadily to improve quality in the long term.

[Business process re-engineering \(BPR\)](#)- technique for radical change in organisations. The main concepts that underpin BPR include the following: direction comes from top management, radical change of process, organisations should be organised around key processes rather than specialist functions, narrow specialists should be replaced by multi-skilled workers working in self-managed teams.

Benchmarking- system or methodology that identifies specific (best) practices and processes leading to high performance and excellent results. The process endeavours to understand how these practices and processes work and adapt and apply them in the organisation. The purpose and benefit of benchmarking is continuous organisation improvement and strengthening of driving forces for success, thus giving organization a competitive edge.

The [European Foundation for Quality Management \(EFQM\) Excellence Model](#)- This model provides a framework for assessing the aspects of performance which make an organisation successful. The framework is non-prescriptive and can be used as a tool for Self-Assessment, as a way to Benchmark with other organizations, as a guide to identify areas for Improvement, as the basis for a common Vocabulary and a way of thinking or as a Structure for the organisation's management system.

Knowledge Management: Enhancing learning requires involving all stakeholders in the change process from the planning stage, through monitoring change process, measuring results and codify lessons learned. Establishes learning and knowledge sharing networks, data bases and e-discussions. Develops partnerships through communities of practice and knowledge networks (such as, for example, [UNDP Capacity2015 Information and Learning Network](#)) facilitates access to information, expertise and good practices.

The Learning Organisations- The concept of the Learning Organisation is increasingly popular as organisations attempt to develop structures and systems that nurture innovation. There is growing consensus about the features that characterise the Learning Organisation, which imply changes in structure, information systems, human resources practices, organisational culture and leadership.

Annex 3: Failure of Change Efforts – What to Look out For

Experts' opinions converge on several causes that can derail change efforts. A brief summary from development and management literature on why change fails, is below.

Failing to understand the context of change

Primary findings from evaluations of World Bank programmes suggest that the quality of institutions is a key determinant of development impact and that, despite this finding, many World Bank interventions do not adequately address institutional concerns, suggesting that there is a 'mismatch between the requirements of successful institutional reform and traditional ways of going about the aid business' (World Bank, 2002). All change efforts, thus, eventually run into constraints embedded in the management systems or culture of the organisation and fail to reach their potential (Senge, 1996).

The context in which organisations are embedded shape the conditions for their change and development (DANIDA, 2005). Failing to fully understand different factors that support or impede change, such as power differentials and incentive systems, can result in developing change intervention which inadvertently undermines ownership of change process by creating 'vicious cycle of disempowerment' and 'vicious circle of demotivation' (Theisohn & Courtnadge, 2005).

Recent thinking on development emphasises the complex and unpredictable – emergent - nature of change. Consideration of the emergent nature of change highlights the need for organisations to understand and be able to work within complex systems, to nurture flexibility, adaptability and innovation. Increasing people's ability to understand the consequences of their actions, and to adapt and change the way they work is recognised as an 'essential requirement for enabling organisations to respond to the new and often unpredictable challenges that face them in a complex aid environment' (Britton, 2005).

Moreover, changing organisations also means changing the way people in those organisations work. Hence, deep organisational change requires a change in people. 'Redrawing the lines and boxes in your organisational chart without addressing the way people within the organisation interact may be like rearranging the deck chairs on the *Titanic*' (Senge, 1996). Therefore, change initiatives must be planned paying attention to the impact they will have on each individual.

Failure to make a compelling case for change

To succeed, institutional reform efforts must be supported by public officials. However, officials may resist new systems if they challenge existing incentive structures or require officials to change their behavior (World Bank, 2005).

Failing to create a sense of urgency and win over hearts and minds will reduce impact of change programmes (Kotter, 1998). Moreover, a critical mass at each level of the organisation must be convinced of the need to change. Argyris (1998) argues that the demise of many modern change efforts is inherent in their design. He points out that change programmes often put out mixed messages. For example, a programme theoretically designed to empower the staff is often based on top management's vision and strategy, leaving the staff little scope for creating some part of the programme they might identify with and commit to.

Success of organisational change depends equally on the soundness of the change approach as on the implementation, respect for different points of view and the degree of support from influential organisation members.

Failure to create a vision to help direct the change effort

Clear vision directing the change is essential for change effort to succeed. 'Whenever you cannot describe the vision driving a change initiative in five minutes or less and get a reaction that signifies both understanding and interest, you are in for trouble' (Kotter, 1998). Moreover, the acceptance of the change in public sector organisations is likely to be increased when the change is tied to a noble mission which points out how the change would help the organisation improve the welfare of its clients, contribute to society, and boost employee job satisfaction (Ingstrup & Crookall, 1998). However, regardless of the level of acceptance, change initiatives will lose credibility if managers do not 'live the change vision' or if they are 'talking, but not walking' (Kotter, 1998).

Failure to recognise obstacles to change

In the public sector organisations, there is a tendency to continually apply old remedies to new problems and situations, while failing to address the 'perennial problems frequently alluded to by organisational members such as ineffective communication and risk aversion' (McHugh & Bennett 1999). Kotter (1998) likewise argues that employees, even though they embrace the new vision, feel disempowered by obstacles in their paths that management knows about, but doesn't remove. Uncertainty about the process of change contributes to its failure (Argyris, 1998). One of the reasons for this is managers' unwillingness to face and air potentially difficult and discordant views.

Moreover, every change initiative will have winners and losers, the prospect of which may create a high degree of resentment, which in turn reduces motivation for change (Amabile, 1998). Prospect of changes in the way people work causes anxiety which, in turn, causes resistance. Hence, Marsh (2001) claims that 'only people who instigate change enjoy it; others have to suffer it'.

Ingstrup & Crookall (1998) suggest not enough attention is paid to 'the stifling effect of bureaucracy'. In spite of their commitment to the mission, people in public sector organisations get impatient with procedures that are counterproductive to the rules. Likewise, Henry *et al* (2002) suggest that finding a balance between freedom and structure will enable a creative climate and, thus, facilitate the intended change process.

Failure to persevere and maintain focus on change

Some staff can feel anxiety during the early stages of a change effort while the leaders are still enthusiastic about change and, without focusing on operational needs the leaders risk 'performance dip' (Ingstrup and Crookall, 1998). However, most people do get excited about change initiatives in the beginning, and everybody loves endings, especially happy endings (Kanter, 1999). It is 'the hard work in between' that demands the attention during the change (ibid.). Change is messy and Kanter warns that everything looks like failure in the 'miserable middle' of change, with people inclined to give up. Hence, failure to plan for 'performance dips' and maintain commitment through the change effort is likely to result in failure.

Neglecting the dynamics of personal and organisational transition

These dynamics of transition, according to Bridges & Michell (2000), determine the outcome of any change effort and neglecting them can cause changes to fall short. They also suggest that change initiatives fail to address the leader's need to coach others through the transition process. People must go through three separate processes, all of them upsetting: (1) saying goodbye (to the old ways that they possibly liked or were familiar with), (2) shifting into neutral, and (3) moving forward. There is a natural tendency to hang back and see how others handle the new beginning. Moreover, Kotter (1998) suggests that employees' resilience needs to be fostered by providing safe environments for risk taking, rewarding large and small successes, and celebrating victories.

Not having a guiding coalition

Major changes are difficult to accomplish, hence a powerful force is required to sustain the process (Kotter, 1998). Not having a guiding coalition, hence means there may be lack of energy to drive the process to its completion. Managers often underestimate the difficulty and effort that change initiatives demand, thus failing to budget enough management time and resources (ibid.). Moreover, Senge (1996) points out that the precondition for building a team for leading the change is that people perceive themselves as needing one another, however 'a lot of senior executives don't perceive this with respect to the other members of the top team', hence many managers attempt to go it alone instead of being 'collaborative leaders' (Linden, 2003).

Not addressing the "soft" aspects of change

It is relatively less challenging to change organisational structures and to create new forms, however it is much more difficult to change the values, meanings and world-views through which people operate and which inform their practice. But, unless this cultural change occurs at the same time, the intended change will not come about. Successful organisational change requires taking culture seriously.

Assets that cannot be controlled by rule are most critical to success. Argyris (1998) points out that people often have an espoused theory- what they tell the world is the way things work and how they behave. Many of the public sector organisations espouse the 'way things are done around here' theory. However, as Argyris notes, many of us in fact act differently from our espoused beliefs, we act on our 'theories in use'.

People's ideas, their commitment to high standards of competence, and their connections of trust with partners are what set apart great organisations (Kanter, 1999). Whilst these requirements can be enhanced by leaders, they cannot be mandated. Mintzberg (1989) warns that one of the major difficulties with public sector organisations will be in trying to implement profound cultural change when an important element of the surrounding culture will be unchanged, such as if senior managers condemn mistakes and losses and don't praise risks that are taken thus creating an asymmetrical reward system.

Not having assessment and measurement systems in place

Public sector organisations today fail to learn from change. Philosopher Santayana (1905) wrote that 'those who cannot remember the past are condemned to repeat it'. Information, best practices and lessons learned are of little value, unless they lead to new and more productive actions, hence Senge (2003) suggests that success depends on the application of best practices.

Kotter (1998) argues that assessment and measurement systems need to be adjusted to track the success of change initiatives, otherwise it becomes impossible to register the build-up of momentum and celebrate early victories. However, he also warns against declaring victory too soon, and neglecting to anchor changes firmly in the organisational culture, which may lead to regress of effort.

Many public service organisations place a great deal of emphasis on denying error, rather than detecting and correcting it. According to Senge (1998) the litmus test for measuring openness in an organisation is simple: How fast does bad news travel upward? In most organisations good news travels upward faster than the speed of light, but the failure is denied even before the word is uttered. He suggests that staff involved in the change process should understand that the process of change is a process of failure. By its nature, change is a continual learning process. Hence, the organisation must encourage experimenting, assessment, reflecting on the mission, identifying results and then experimenting some more (Henry, 2001)

Chris Argyris (1991) lays out a basic problem of learning in organisations. He notes that most people in organisations are quite smart, but that to succeed, they've learned to find correct answers and

cover up incorrect ones. This undermines the inquiry skills essential to successful change and leadership because these skills revolve around how to "uncover" what isn't working in ways that do not invoke defensiveness.

Annex 4: Bibliography

Ackerman, L. (1997), 'Development, transition or transformation: the question of change in organisations' in *Van Eynde, D., Hoy, J. and Van Eynde, D. (eds.) Organisation Development Classics*, Jossey Bass, San Francisco

Amabile, T. (1998) 'How to Kill Creativity' in Henry, J. (ed.) (2001) *Creative Management*, Open University Business School in association with Sage Publications, London

[Argyris, C. \(1998\) 'Empowerment: the emperor's new clothes' in *Harvard Business Review* May/ June pp. 98-105](#)

Avolio, B. (2002), *Transformational and Charismatic Leadership*, Sage Publications

[Bossuyt, J. \(2001\) *Mainstreaming Institutional Development: Why is it important and how can it be done?*, Maastricht, ECDPM](#)

[Bridges, W. and Mitchell S. 'Leading Transition: A New Model for Change' in *Leader to Leader*. 16 \(Spring 2000\): 30-36](#)

[Britton, B. \(2005\), *Organisational Learning in NGOs: Creating the Motive, Means and Opportunity*, Praxis Paper No. 3, March 2005, INTRAC \(accessed 29 July 2006\)](#)

Brown, S. L. and Eisenhardt, K. M. (1997), 'The Art of Continuous Change: Linking Complexity Theory and Time-Paced Evolution in Relentlessly Shifting Organisations', in *Administrative Science Quarterly*, 42, pp. 1- 34.

Chambers, R. (1997) *Whose Reality Counts? Putting the first last*, London, Intermediate Technology Publications.

Checkland, P. and Scholes, J. (1990) *Soft System Methodology in Action*, Chichester, John Wiley and Sons Ltd.

[Crookall, P. and Schachter, H. \(2002\) *Changing Management Culture: Models and Strategies*, Research report for the Government of Canada, October 2002](#)

[DANIDA \(2002\), Boesen, N. and Therkildsen, O., *Capacity Development Evaluation, Step 1: Contributions to an Analytical Framework*, Ministry of Foreign Affairs, DANIDA, September 2002](#)

[DANIDA \(2003\), Boesen, N. and Therkildsen, O., *Capacity Development Evaluation, Step 3: Draft Methodology for Evaluation of Capacity Development*, Ministry of Foreign Affairs, DANIDA, October 2003](#)

[DANIDA \(2004\), Boesen, N. and Therkildsen, O., *Capacity Development Evaluation, Step 4: Between Naivety and Cynicism, A Pragmatic Approach to Donor-Support for Public Sector Capacity Development*, Ministry of Foreign Affairs, DANIDA, August 2004](#)

[DANIDA \(2005\), Boesen, N. and Therkildsen, O. *A Results-Oriented Approach to Capacity Change*, Ministry of Foreign Affairs, DANIDA, February 2005](#)

de Janvry, A., Sadoulet, E. and Thorbecke, E. (1993) 'State, market, and civil organizations : new theories, new practices, and their implications for rural development', *World Development*, vol. 21, no. 4, p..565-689.

[DFID \(2003\), *Promoting Institutional and Organisational Development*, Department for International Development, UK, March 2003](#)

[DFID \(2004\), *Drivers of Change Public Information Note*, September 2004](#)

[DFID \(2005\) *Capacity Development and State Building- Issues, Evidence and Implications for DFID*, Governance and Social Development Group, DFID, October 2005](#)

[Duncan, A., Shariff, I., Landell-Mills, I., Hulme, D. and Roy, J. \(2002\) *Bangladesh Supporting the drivers of pro-poor change*, Summary Version, June 2002](#)

[ECDPM \(2003\), *Institutional Development:: Learning by Doing and Sharing. Approaches and tools for supporting institutional development*, European Centre for Development Policy Management \(ECDPM\) and Netherlands Ministry of Foreign Affairs, Poverty Policy and Institutional Development Division \(DSI/AI\)](#)

[Fernandez, S. and Rainey, H., G. \(2006\) 'Managing successful organisational change in the public sector: And agenda for research and practice' in *Public Administration Review*, March/April 2006, Vol. 66, no 2](#)

Golembiewski, R. T. (1969), 'Organisation development in public agencies: Perspectives on theory and practice' in *Public Administration Review*, 29, 367-68.

[Grindle, M. S. \(2005\) 'Marilee Grindle on Making Democracy Work' from the interview at Kennedy School, Harvard University, 16 June 2005](#)

Henry, J. (2001), *Creativity and Perception in Management*, Sage Publications, London

Henry, J. et al (2002), *Organising for Innovation*, The Open University, Milton Keynes

[Horton, D. et al. \(2004\). *Evaluating Capacity Development Experiences from Research and Development Organisations around the World*, ISNAR \(for CIDA/ IDRC\), The Hague.](#)

Ingstrup, O. and Crookall, P. (1998), *The Three Pillars of Public Management*, McGill-Queens' University Press

[James, R. with Oladipo, J., Isooba, M., Mboizi, B. and Kusiima I. \(2005\), *Realities of Change Understanding How African NGO Leaders Develop*, Praxis paper 6, July 2005, INTRAC, CORAT Africa, CTRN](#)

Joy, L. and Bennet, S. (no date), *Systemic Improvement of Public Sector Management- Process Consultation*, Management Development Programme, UNDP

Kanter, R. M. (1997) 'Restoring people to the heart of the organisation', in Hesselbein, F., Goldsmith, M. and Beckhard, R., *The Organisation of the Future*, Drucker Foundation Series, San Francisco: Jossey Bass.

[Kanter, R. M. \(1999\) 'The Enduring Skills of Change Leaders' in *Leader to Leader*, 13, Summer 1999](#)

[Katororbo, J. \(1998\) *The Study of Best Practice in Civil Service Reforms*, Management Development and Governance Division, UNDO, New York](#)

[Kotter, J. P. \(1995\), 'Leading Change: Why Transformation Efforts Fail?' in *Harvard Business Review*, March-April 1995, reprint 95204](#)

Kotter, J. P. (1996), *Leading Change*, Harvard Business School Press, Boston, Massachusetts

[Kotter, J. P. 'Winning at Change' in *Leader to Leader*, No.10 \(Fall 1998\): pp.27-33.](#)

[Land, A. \(2000\), *Implementing institutional and capacity development: conceptual and operational issues*. ECDPM Discussion Paper 14 , ECDPM, Maastricht](#)

Lewin, K. (1951), *Field Theory in Social Science*, Harper & Row, New York

[Linden, R. \(2003\) 'The Discipline of Collaboration' in *Leader to Leader*, 29 \(Summer 2003\), pp. 41-47](#)

[Malhotra, M \(2004\), *Lessons: Scaling up successful efforts to reduce poverty*, World Bank Institute,](#)

[Marsh, C. \(2001\) 'Degrees of Change – Resistance or Resilience' in *Performance Improvement*, March 2001, v40 n3 pp 29-33](#)

[McHugh, M. and Bennett, H. \(1999\) 'Dream on: team work from the confines of the bureaucratic cage' in *Strategic Change* 8, June-July 1999, pp.189-203](#)

Mintzberg, H. (1989). *Mintzberg on Management: inside our strange world of organisations*, Chicago: Free Press

[Mintzberg, H. \(1994\) 'The Fall and Rise of Strategic Planning' in *Harvard Business Review*, 72, 1, 1994, pp 107-114](#)

[Mintzberg, H \(1996\) 'Ten ideas designed to rile everyone who cares about management' in *Harvard Business Review*, July-August, Vol. 74, No. 2, pp. 61-70](#)

[Munteanu, I. and Ionita, V. \(no date\) *The Management of Knowledge, A guidebook for the community of practitioners*](#)

[ODI \(2005\), Ramalingam, B., *Implementing Knowledge Strategies: Lessons from international development agencies*, ODI Working Paper 244](#)

[OECD \(1996\) *Ethics in the Public Service: Current Issues and Practice*, Occasional papers 14/1996, OECD/PUMA, Paris](#)

[OECD \(2005\), Dahl-Ostergaard, T., Unsworth, S., Robinson, M. and Jensen, R. I., *Lessons learned on the use of Power and Drivers of Change Analyses in development co-operation*, Review commissioned by the OECD DAC Network on Governance \(GOVNET\), Final Report, 20 September 2005, OECD,](#)

Orlikowski, W.J., (1996), "Improvising Organisational Transformation over Time: A Situated Change Perspective" in *Information Systems Research*, 7(1), 63-92.

Osborne, D. and Gaebler, T. (1992), *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*, Addison-Wesley Publishing

Pascale, R. (1999) Extract from Complexity and the unconscious, in *J. Henry, Creativity ,Innovation and Change Media Book*, Milton Keynes: Open University Press, pp. 9-10.

Pearson, G. (1989) 'Promoting entrepreneurship in large companies', *Long Range Planning*, Vol. 22, No. 3, pp. 87-97.

[Pitts, D., W., and Fernandez, S. \(2006\), 'Under what conditions do public managers favour and pursue organisational change?', Andrew Young School of Policy Studies, Research Paper Series, Working Paper 06-19, March 2006](#)

[Santayana, G. \(1905\) *The Life of Reason, Volume 1*](#)

Senge, P. (1990), *The Fifth Discipline: The art and practice of the learning organisation*, Doubleday, New York

Senge, P. (1999) *The Dance of Change*, Currency Doubleday, New York

[Senge, P. \(2006\) 'Systems Citizenship: The Leadership Mandate for This Millennium'](#) in *Leader to Leader*, Special 10th Anniversary Issue, No. 41, Summer 2006

[Sorengfrei, M. and Wrigley, R. \(2005\), Building Analytical and Adaptive Capacities for Organisational Effectiveness, Praxis paper 7, December 2005, INTRAC](#)

Stewart, J. and Kringas, P. (2003) 'Change Management – Strategy and Values in Six Agencies from the Australian Public Service' in *Public Administration Review*, v. 63 n. 6 (November 2003): pp. 675-688.

Theisoehn, T. and Courtnadge, P. (2005) 'Moving beyond the "Münchhausen Approach". Honest brokering and independent monitoring in development partnerships' in *Nord-Süd aktuell*, Vol. 19, Issue 3/4, Page 246-258, December 2005

[UNDP \(2003\) Lopes, C and Theisoehn, T Ownership, Leadership and Transformation; Can we do better for Capacity Development? Earthscan Publications, UK and USA](#)

[UNDP \(2006\), UNDP Capacity Development Practice Note, May 2006, UNDP](#)

[Weick, K. E. and Quinn, R.E. \(1999\), "Organisational Development and Change" in Annual Review of Psychology, 50, pp. 361-386](#)

Wilson, J. Q (1989), *Bureaucracy: What Government Agencies Do and Why They Do It*, Basic Books, Inc.

Wilson, D. C. (1992). *A Strategy of Change: Concepts and Controversies in the Management of Change*, Routledge, New York and London

[World Bank \(1997\) World Bank Development Report 1997: The State in a Changing World, Oxford University Press, Oxford](#)

[World Bank \(2000\), Reforming Public Institutions and Strengthening Governance, A World Bank Strategy, November 2005](#)

[World Bank \(2003\) Institutional and Governance Reviews- An Evolving Type of Economic and Sector Work, Public Sector Prem Notes, World Bank](#)

[World Bank \(2005\) Staff incentives and project implementation: Lessons from e-government, Public Sector Prem Notes, no. 101, October 2005](#)