Managing Change in the Public Sector-Takeaways from Literature

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Abstract: Change is the only constant in nature. Organisations irrespective of the sector in which they operate need to change owing to either external forces or internal forces or both. While private organisations or corporates seem to be more responsive to change, the same cannot be said in the context of organisations operating in the public sector. A probe into the reasons behind such slow and low responsiveness provides more insights into what it takes for a change initiative to be successful in the public sector. This paper is aimed at studying various articles on the focal point and listing the takeaways from the literature on change management in the public sector.

Keywords: Change, Public Sector, Innovation, HRM

Introduction

Over time every organization encounters some form of change. In fact, the only thing that is constant is change. Change management is about responding to the changing environment: 'a key part of the management function is to maintain an awareness of such changes and prepare responses to them' Naylor (1999:7)[1]. The manner in which organisations operating in different sectors respond to any kind of change is noteworthy. It is viewed that the corporate change capability is generally internal to the organisation and typically needs to be embedded within the human resources function. Over time, the knowledge, skills and experience of the human resources develops them into change practitioners and as such, organisation capability increases. This increased capability calls for rapid and effective

response to externally and internally driven change demands. A commercial imperative to act quickly, driven by intense competition that threatens the organisation's revenue, profitability and reputation usually lays such a growth path. But it is observed that the change capability usually differs between the organisations in the private sector and those in the public sector (Mark Jenkins) [2]. It is a fact that in the public sector, internal change capability is less leading to dependence on external practitioners or consultants for change. Their preparedness to change seems a cumbersome effort and hence only reactive responses to change seem to be visible instead of proactive measures.

In today's world of rapid changes, transforming and emerging economies, turbulent financial markets, reforming governments, ever-changing societies and increasing environmental strains, there is a need of a higher

change capacity of organizations in the public sector to meet more complex demands. Moreover, with a lot of attention being paid to 'good governance'- development of state capacity to address social agenda, organizations in the Public Sector are being swept by myriad changes. Fostering innovation and mastering the art of change is a must for the Public Sector Organizations to avoid facing the danger of extinction. Although change in the public sector is usually driven by a policy change by the government, it has to be dealt with, at an organisational level for successful implementation. It is a matter of fact that the managerial approaches which take the organisation as their starting point are likely to be more fetching in sustaining the change.

The complexity of managing change in the public sector is exacerbated by the occurrence of simultaneous change processes that make the managing and understanding of change a daunting task. Conventional change management paradigms that work effectively in the corporate settings showed limited impact in government engagements. The entire rhythm, motivation and environment of the government were different requiring enhanced sensitivity and preparation on the part of the change management agents (Vasudev Murthy 2010) [3].

Although there are many drivers for change, it is observed that intense competition from the private players in the market is the most significant driver for change in the public sector organisations. Technology adds to the woes as these private rivals leverage on the latest innovations and penetrate markets easily. With a paradigm shift in the instrumental values within the society, customer loyalty seems to be a factor of the past indicating that customer wouldn't hesitate much to move over to a private player. Considering the all pervasiveness of the change phenomena, many a public sector organisations have embarked on change journey. However, not all have been successful. Many reasons (size and structure of the organisation, political, economic and technological constraints, delay in decision making and the nature of the workforce) have been identified as barriers to successful change in the public sector.

Although there exist more than one million articles relating to Organisational Change (Van de Ven and Poole 1995) [4], there has been only a limited update of organisational change literature by public sector organisations (Piercy *et al* 2012) [5]. In this context, this paper relies on secondary data to observe and highlight what it takes for successful changes to happen in the public sector.

1. *Readiness to Change*: considering the time and resources that are invested in the process of change, it is wise for public sector organisations to check if they are really ready for change: employee-wise as well as infrastructure-wise. As was observed in the case of Department of Posts, Technology-wise and employee attitude-wise readiness (Vasudha et al 2015) [6] could smoothen the enduring process of change. It is also a well-known fact that employees' responses to change are shaped by both their personal

psychological resources and also their perceptions of the organizational environment. Psychological capital (PsyCap) is identified to partially mediate the relationship between management support and employees' readiness for change (Melrona Kirrane)[7]

2. *Communication during change:*

There is a tendency of employees in the public sector preferring old ways of working to new ones as a consequence of lack of role clarity or prevalence of role ambiguity. Insufficient information[3] with regard to what, why and how of change leaves employees in a confused state and prevents them from adapting to new processes (Madinda)[8]. There have been instances of employee buy-in being enhanced by leaving scope for discussions to take place as a part of the Mass Contact Exercise and a meaningfully crafted, effectively communicated vision and mission statement. The institutionalisation of a larger change theme is utmost essential for continuity and resilience against changes in staff, short term urgencies etc. (Sujaya)[9].

3. *Training as an effective tool:*

The absence of internal capability and the resultant excessive dependence on external change consultants is a major setback for the public sector organisations in the eventuality of any change. This virtually results in a hollowing out of internal change capability particularly in the government organisations. (Mark Jenkins)[10]. This increases the relevance of training as a tool to equip the workforce with change capability.

It is more than a fact that most of the changes in the Public Sector are technology- driven. As a result perceived usefulness of the change is dependent on perceived ease of use of the technology that drives the change. At this juncture training plays a very significant role in introducing the employees to the new ways of doing things. Sufficient training improves the skill reserve and is a part of readiness to change. It is not only a mere exercise of providing them hands on experience with the new processes but it also dispels fear of unknown and instils confidence leading to positive thinking. Role of external consultants[5] during training is quite important but for quick adaptation, reliance on internal stakeholders is imperative (Piramuthu)[11].

Non- technical training is also a pre requisite for all those who face the change. It works on their perception towards the new ways and is a very critical aspect of ushering in a new culture within the organisation. The change initiative that took place in SBI was beyond imagination due to the vast size of the organization and what was more important was its lasting effect, which was created by linking the identity of an individual with the soul of the organization. Going beyond the commercial motive of the organization to beat the competition, the transformation journey aimed at revolutionizing the individuals working in the organization through non-technical training (Deshmukh)[12].

4. *HRM Practices:*

For any change initiative to take root among internal stakeholders, percolation across the length and breadth of the organization without any blockages would set the ground. This puts the onus on the HRM which needs to have an

overarching aim of ensuring that the organization's change aspirations are translated into sustained and effective action because change entails growth and opening of new vistas. Human resource management practices prove effective in this effort. Specifically high autonomy, high participation in decision making and high quality teamwork are the three HRM practices found to be particularly effective for improving proactivity and vitality among the employees and thereby increasing acceptance to change (Lars Tummers)[13]. HR Practices in line with High Performance Work Practices could be more conducive to change. This is possible only when HR is independent of pressures from any of the stakeholders which is not so possible in the public sector organisations, more so with their service obligations (Vijay)[14]. Moreover, Change Capability (Finger)[15] could be increased only through effective OD practices. The need to integrate people-related dimensions of change management strategies is to be recaptured with a main focus on trust building and belongingness for the employees in establishing a high-performance orientation, quality improvements during the transformations (Bhatnagar et al)[16].

5.   *Re-aligning the Structure:* The fact that most of the public sector organisations are mechanistic in their structure with a dominant role played by government in their affairs is well known. They are susceptible to greater and more open accountability with politicians, pressure groups, taxpayers and voters all having a stake in its performance (Ruth Sepper)[17]. Structure directly affected levels of employee morale, nature of communication within

the structure, the development of relationships formal as well as informal and resulting motivation there in. It also indirectly had an impact on the nature of employees' commitment and conflict in an organisation (Mintzberg)[18]. Many off-shoots of bureaucracy like for example, delay in decision making and lack of employee participation impede the change efforts even when the stakes for not changing are very high. Resource constraints due to several super imposed governmental considerations have a more serious effect when the change is majorly technological (Sinha)[19]. Instead, if there exists a mechanism where during periods of change, the organisation structure could be organic-doing a little away with bureaucracy and decentralizing authority, managing change would be a simpler ordeal.

6.   *Leadership:* Acceptance and support of the employees is a pre-requisite for any change to be successful. In this context, the role of a leader is extremely crucial as it is found that there exists a relationship between transformational leadership behavior and affective commitment to change (Ben S Kuipers)[20]. If the leaders could talk the employees into embracing change by actually *walking the talk*, change would be more smooth and sustaining. In the public sector where workers often hold strong views, opinions and commitment levels, leaders need to take the time to understand and respect others' perspectives and ideas, or change processes could be sabotaged from within (Schulman)[21]. Public managers must have strong skill in persuasion and presenting a "compelling vision" to staff members. According to him, a

public leader with proficient collaboration skills would gain more respect from staff than if he or she has expertise in a certain skill area. Especially with the skeptical, doubtful staff, leader must engage and communicate by developing clarity, strengthening the team, and communicating the organization's vision (Edmonds)[22]. The leader breaking free of his comfort zone and encouraging staff to do the same heightens the chances of change being effective. The tenures of the leaders also impact the implementation process. In fact it is suggested that the change programs that followed certain principles (Improve performance against agency mission; win over external and internal stakeholders; establish a road map; recognize the connections among all the organizational elements; and be a leader, not a bureaucrat) were more likely to survive when leadership changed hands (Frank Ostroff)[23].

On the other hand, the mind sets of middle level officers is found to be either an *actor mind set* with which an individual acts on his learning or *spectator mind set* with which learning does not happen. In a change conducive culture, people in supervisory positions need to adopt an actor mind-set in order to walk the talk. (Ramnarayan 2003)[24].

7. *Motivation Mechanism:* Adapting to any new process involves 'new learning' by the workforce. This may result in spending more hours at work and enduring periods of frustration as learning becomes difficult with age. However, this process could be made 'a sweet challenge' by recognising every little win and practicing a reward system that provides the much needed

extrinsic motivation to the employees in the public sector organization. Employee involvement and performance management system are found to have a positive impact on the perception and reception of change by the employees (Nandan)[25].

8. *Culture:* As the organisations operating in the public sector receive financial support from the government, it is usually observed that they are more reactive to the need for change rather than being proactive and securing the future in today's highly turbulent markets. In organisations which are commercially driven, the issues of adaptation for the sake of survival are better understood than those in the government sector (Schulman)[26]. The implementation of change management initiatives also receives a laid back approach when faced by hurdles along the way to a new desired state. This is majorly because of the culture which is not so conducive to change and does not foster innovative practices that could break the barriers to change resulting in slow acceptance of new ways by a reluctant workforce. On the contrary, formalisation of radical innovations (Praveen)[27], and fostering a commercial mind set (Sushanta Mishra)[28] could create a culture for change. Only when there was an urgency coupled with a commercial imperative that had emerged out of a threat to the revenue, profitability or reputation of the organisation, the responses to change in public sector organisations would be more vibrant (Finger)[29]. Institutionalizing and internalizing efforts are imperative when attempting to bring about change or establish an ownership to change. (Garg)[30]

Biggest challenge for the management was to convey its idea of transformation to each and every employee of the organization in the case of SBI (Rastogi and Rastogi)[31]. The strong hierarchical design of the organization was the major hurdle. To implement cultural change the idea of change has to percolate to the lowest level, motivating staff to accept change willingly. This goal was accomplished by meticulously crafted strategy named "Parivartan" a 100 day programme for the employees to improve their communication skills. Breaking down the barrier of hierarchy, the top level management directly contacted the junior level staff, which acted as motivating cum controlling factor in the success of the programme.

9.   *Strategy:*   Organisations strategise to inculcate responsiveness towards the external environment (Manning)[32]. However, an evaluation of the possible impacts of both the external and internal organizational environment, the long-term goals of the organization and the ways in which HRM strategy will enable the adaptation of human resources towards these goals or objectives is warranted in the public sector organisations in order to smoothen the process of change-planned or unplanned. The change process could be paused, evaluated till date and then if need be strategically aligned for accelerating the pace. Value creation through strategic management must be the emphasis of a modern context for change. It is necessary and possible for public sector organizations to become dynamic learning organizations to be competent to identify changes in customer needs and also be capable of meeting these changes (Rosemary Mclenerny)[33].

Conclusion

The notion of receptivity is central to understand and manage change within public sector organisations encompassing four factors: *ideological vision, leading change, institutional politics, and implementation capacity* (Butler 2003)[34]. However, the reform-initiated changes are observed to be mostly introduced only by some deviation from first-line governmental plans and introduction of new political directions in 2003 led to new organizational changes and managerial efforts to gain the goals with, unfortunately, prolonged change process (Ruth Sepper)[35] . It is concluded that formation of an efficient top management team, the identification of core problems, developing clear targets for change, establishing clear benchmarks to follow and designing appropriate organizational change interventions (Bhatnagar)[36] are the key to effective change management in the public sector besides strictly adhering to timelines. An in depth analysis of an organization's change capacity would allow it to better deal with the determinants of change capacity, thereby increasing adaptation and survival during the inevitable change (Patricia et al 2008)[37]. Summing up, whether it is in increasing the 'readiness of' or reducing the 'resistance from' the workforce, it is clear that HRM is the lifeline for the success of any change initiative in the public sector.

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