

Restructuring of library Services

STATE LIBRARY OF NEW SOUTH WALES

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STATE LIBRARY OF
NEW SOUTH WALES

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August 1999.

Foreword

Following the introduction of the 1993 Local Government Act in NSW there has been a focus on the improvement of management practices within local government. Coupled with increasing recognition of the implications of the National Competition Policy, a number of libraries have been actively involved in the restructuring of services in preparation for a competitive environment.

In response, Public Libraries Branch, in consultation with Lyn Barakat, Manager, Sutherland Shire Libraries and Information Service, commissioned Geoff Carson of Library Consultancy Services Pty Ltd and Errol Chadwick of Chadwick and Associates to lead a two day workshop on restructuring principles.

The key objectives of the library restructuring project were:

- ❑ to assist libraries to clearly understand restructure principles/methodologies, and to be able to practically relate these to their local situations;
- ❑ to provide a process which would assist public library managers reshape and align staff positions to achieve improved client service; and
- ❑ to provide the tools for the introduction of effective change management strategies to facilitate positive implementation and outcomes.

The Workshop, held in March 1999 at the State Library of New South Wales, was attended by 22 library managers and senior staff from a range of New South Wales metropolitan and rural library services.

This Manual, prepared by Library Consultancy Services Pty Ltd, is based on the material presented at the Workshop. The Manual discusses:

- ❑ restructuring theory including the role of structure in management theory and in a strategic/business planning framework;
- ❑ global and local change drivers affecting the public sector and specifically public libraries;
- ❑ change processes and organisational diagnosis;
- ❑ the features of realigned, client focused and adaptive organisations;
- ❑ key steps in the change process accompanied by a methodology for critically reviewing public library effectiveness;
- ❑ determining options for organisational structures; and
- ❑ change and the human factor - leading staff through change, optimising communication, trust and empowerment.

The appendices include a range of supplementary material presented at the workshop which were of particular interest to the participants. These include a library users' charter, notes on business planning and performance measurement and a format for a model library business plan.

I would like to thank Geoff Carson and Errol Chadwick, and the following Workshop participants:

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1

WHY CHANGE?

"He that will not apply new remedies must expect new evils".

Francis Bacon

1.1 Change drivers

Unprecedented change is occurring at every level of society. The key change drivers impacting the public library sector are:

□ Global competition

- ◆ The globalisation of industries and markets and resultant industry transformations means that no private or public sector organisation is immune from its effects.
- ◆ Information in all its forms has become a global commodity increasingly subject to commercialisation.

□ Advances in IT - "leapfrogging technology"

- ◆ Information technology continues to advance exponentially.
- ◆ The capacity of most public libraries to match this rate of growth with continuous enhancement to equipment and facilities and staff skills is in question.

□ Rapid changes in markets and product technology

- ◆ Markets are highly volatile and capable of overnight change.
- ◆ Customer expectations continue to fragment coupled with the rapid development of niche markets.
- ◆ Product/skill life cycles are continuing to shorten dramatically, intensifying the complexities of service/product planning and market response strategies.

❑ Uncertain public policy environment

- ◆ Public sector competitive forces including CCT and National Competition Policy, deregulation and reduced funding demand strategic responses from the public library sector.

What is both so different and challenging about the current mode of change is that:

- ❑ the global scale and pace of change is unprecedented.
- ❑ a large number of factors are operating either simultaneously or are inter-linked and reactive to each other.
- ❑ solutions/strategies are therefore complex and no longer single-dimensional.

1.2 *Effective strategies to respond to change*

- ❑ Strategies that are multifaceted and multidimensional - integrating customers, markets and products.
- ❑ Strategies that facilitate dynamic alignment between all components of the organisation.
- ❑ Strategies that are designed for rapid implementation.
- ❑ Strategies that are adaptive - having the capacity for ongoing change.
- ❑ Strategy as an evolving process applying the principles of continuous improvement.

1.3 *Characteristics of successful reorganisations*

1.3.1 Internal organisational characteristics

Hallmarks of the realigned and adaptive organisation are:

- ❑ *Devolved authority*

Authority to succeed and fail is pushed lower in the organisation, giving managers and operating units greater operating autonomy.

❑ *Coordination and teamwork*

Improved commitment to the organisation's purpose and strategy and enhanced coordination and teamwork between staff across the organisation focussing on key tasks and processes. In contrast, traditional hierarchical structures lack reactivity and adaptability.

❑ *Dispersed information*

Information is more widely distributed among staff at all levels and more focused on quality issues.

❑ *Reduced HQ role*

Central offices are scaled back, in some cases to a fraction of the original sizes.

❑ *Decisions more focused on stakeholder value*

Managerial decisions are more explicitly judged on the basis of the anticipated value to stakeholders.

❑ *Enhanced leadership skills*

Top management invested greater time in managing and developing their successors and building competence in managing, leading and negotiating at all levels.

❑ *Tightened promotions*

More stringent selection criteria are used in filling management positions and evaluating key staff.

❑ *More incentives for good performance*

Reward systems are made more contingent on performance, and performance measures are more tightly linked to stakeholder value (ie critical success factors).

❑ *Enhanced internal ownership*

Incentive and decision-making systems are designed to make senior managers into de facto owners.

1.3.2 Customer relationships

- ❑ The key outcome of change processes for service-based organisations is the alignment of the organisation to deliver customer requirements in a fully integrated manner.
- ❑ Integration is achieved via strong linkages between market data and internal management practices, processes, products and skills and is dependent upon:
 - ◆ ensuring staff understand organisational goals and objectives and customer needs and expectations;
 - ◆ aligning staff work values with organisational outcomes and linking rewards to delivery on goals/objectives and customer needs/expectations. Appendices 1 and 2 respectively provide an example of a Library Users Charter and an outline of key components of service quality; and
 - ◆ developing the commitment levels required to translate objectives into action by:
 - creating the staff capacity and skills to deliver;
 - giving staff the power to deliver and accountability for delivery; and
 - integrating internal functions to provide effective service, build customer relationships and reinforce market positioning.

1.3.3 Restructuring outcomes for libraries

- ❑ Enhanced customer focus - flexible and responsive service delivery that meets and exceeds expectations.
- ❑ Increase in the level of library use.
- ❑ Improved levels of customer satisfaction.
- ❑ Increased innovation.
- ❑ Increased expenditure on front-line services and library resources matched by decreasing corporate overheads.
- ❑ Maximisation of income generating capacities.
- ❑ Participation in local and broader groups and networks which enhance service delivery.

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2

CHANGE MANAGEMENT - AN OVERVIEW

2.1 What is Change Management?

- Whitely¹ defines change as "*the negotiation or the renegotiation of shared meaning about what is to be valued, believed in and aimed for. Organisational change constitutes a renewal of parts or even the whole of organisational culture, structures, processes and relationships with the outside environment*".
- Berger and Sikora² define change management as "*the continuous process of aligning an organisation with its marketplace and doing it more responsively and effectively than its competitors. Alignment is the continuous synchronisation of four key management levers - strategy, operations, culture, and reward*".
- The concept of change management is thus grounded in the principle of continuous measurement and feedback of the people, processes and systems within an organisation. It follows that no organisation can truly align itself to its market unless all its people are behaving as the market demands.
- Change management means radically changing how people work - changing policies and controls, systems and technology, organisational relationships, service and business practices and reward programs.
- Four key assumptions distinguish effective change management from other organisational development strategies. They are:
 - ◆ radical change can only occur when old ways of thinking and operating are replaced;
 - ◆ concrete results must be realised quickly;
 - ◆ information technology plays a key role in the restructuring of systems and procedures;
 - ◆ any change affects *all* parts of the organisation; therefore a successful change effort must address and integrate people, technology, structures and management philosophy and practice;

¹ Alma Whiteley, *Managing Change - A core values approach*, McMillan Education Australia, 1995

² Berger, Lance & Sikora, Martin. *The Change Management Handbook*, Irwin Professional Publishing, New York, 1994.

- ❑ effective change management thus requires an interdisciplinary and collaborative approach. No one person can make a change project succeed. It demands a team of people with a wide range of skills and knowledge who can communicate across the organisation and support each other to achieve sought outcomes;
- ❑ change management is not about compromise or trade-offs. It is about creating a new reality that radically focuses an organisation on achieving excellence. Such change also carries significant risks that cannot and should not be ignored.

2.2 The change process

The change process comprises 4 key phases:

❑ Phase 1: The Change Trigger

The change process begins with a change trigger(s) which is an actual or potential opportunity or threat that not only affects an organisation but will destabilise it if not addressed.

❑ Phase 2: Destabilisation

Destabilisation or misalignment can manifest itself in such setbacks as loss of customers, reduced demand, obsolescence or impairment of existing services and products, or diminished profitability and organisational viability.

❑ Phase 3: Re-alignment assessment

Acknowledgment of destabilisation forces an organisation into phase 3, where it will reassess its alignment to market. Because the imperative for change will often initially result in self-deception and denial that change is needed, every organisation requires change agents who have the capacity to recognise the impact of a change trigger and champion the cause of change until the organisation becomes aware of it and acts.

An organisation requires a certain proportion of change agents in key roles and an appropriate consultative structure to ensure effective outcomes. The proportion is related to the company's stage of development or growth; mature companies requiring more change agents and growing companies fewer because growth itself is a state of change.

The assessment process can take place only through the implementation of a well-designed strategy driven by a group of change agents and change managers (including members of the board) who will perform the assessment and contribute to the change plan.

Phase 4: Implementing the Change Plan

Phase 4 commences with the finalisation of a re-alignment blueprint that creates the framework for the change plan. The organisation is now ready to restabilise itself against the change triggers. An illustrative change plan similar to that proposed by Berger and Sikora³ and based on the Porter model⁴ is shown below. In Part 5 of this workbook a more detailed plan is provided for discussion.

1. *Formally communicate your new alignment blueprint to all stakeholders in ways appropriate to each group.*
2. *Make a visible symbolic change in the organisation to signify the enhancement or change and the basis for the resulting alignment model. These changes could involve organisation structure change - the crisis factor.*
3. *Introduce a new performance management system (the main change driver) focusing on goals, measures, and rewards necessary for the realignment of the organisation to its market situation. Use cascading goals, measurements, and rewards to drive the company objectives to the lowest levels of the organisation while creating training programs to introduce new skills and competencies; initiate technology, process, and facilities restructuring and team development.*
4. *Create a vision group (a multifunctional, multilevel unit) made up of change agents and change managers around key customer, competitive, or internal alignment issues. These people will take scanned information and drive it through the organisation in the form of proposed action plans. This process must incorporate the capacity "to discuss the undiscussable".*
5. *Gain control of the gatekeepers (recruitment, promotion, training and termination processes) and immediately link them to the requirements of the alignment blueprint. Make sure the correct culture mix is being developed to meet business requirements.*
6. *Train people in self-discipline and the process of management change.*
7. *Make sure you have the correct distribution and positioning of change agents, change managers, facilitators, buffers, and resisters for your organisation.*
8. *Establish and promote a core set of organisational values (change stabilisers).*
9. *Continually communicate the status of your organisation's performance, your assessment of the state of the market and internal alignment in an open and constructive way.*

³ Ibid. p.16

⁴ Michael Porter, *Competitive Strategy: Techniques for Analysing Industries and Competitors*. New York: The Free Press, 1980.

10. *Structure the trigger scanning process to continually assess opportunities and threats to the customer base, competitive position, and internal alignment.*
11. *Do not be afraid to experiment with change.*
12. *Focus on the underlying principles of alignment to market: continual and pervasive measurement, reward for achievement, and continual cultural adaptation.*

In contrast, in an address to the 1999 IMM conference, Qantas CEO James Strong provided the following steps on how to achieve organisational change:

- ◆ *have clear plans and objectives;*
- ◆ *break large challenges down to smaller sequential steps;*
- ◆ *ensure all steps are linked and support each other;*
- ◆ *project your new image internally and externally;*
- ◆ *state publicly what you are trying to achieve;*
- ◆ *maintain direct contact with staff and be honest and upfront about change;*
- ◆ *remain steadfast in the face of opposition; and*
- ◆ *celebrate success.*

2.3 **Key elements of an effective change management system**

- Organisational acceptance at all levels that change is going to happen and recur frequently.
- Systems are in place for early detection of change triggers - threats or opportunities that act to destabilise the organisational environment and are so powerful that they necessitate a new way of doing things. Such triggers mostly occur in the competitive market or customer base but can also be generated internally driven by the desire for growth, change, quality, or by perceptions of success or failure.
- Once the triggers are identified, the organisation must have a structured process for combating them or taking advantage of them. This will be ultimately oriented towards a redefinition of customer service priorities.
- Whatever changes are finally adopted, they must be implemented so that the 4 key management levers - strategy, operations, culture and compensation - are fully in alignment and the organisation as a whole is in turn aligned with the market and customer base.
- Given that change, whether good or bad, is often resisted, every organisation should have a sufficient number of critically placed *change agents* who either have the capacity or the responsibility to identify significant change issues and instigate action.

- ❑ In a public library context, the Library Manager must head the change process. For change to be effective, the Library Manager must be a change agent in style, skill and temperament and have the capacity to accurately assess alignment at every stage.
- ❑ As a change agent the Library Manager should be in touch with the whole organisation to create trust and confidence in the change process, detect trouble spots such as disharmony and develop channels for a free flow of information in all directions.

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3

THE ORGANISATION AND CHANGE

3.1 Structure and accountability

- ❑ There is no "best" structure for any sector of the corporate world or any particular business within a sector. There is however a most *appropriate* structure for an organisation at any given period of time, but for the structure to remain appropriate it will require finessing to reflect the relevant changes in the internal and external environments pertaining to the organisation.
- ❑ The most fundamental purpose or thrust of organisation structure is to define and delegate role/responsibilities to all required employees so that they know what they are accountable for and are able to maintain commitment to these accountabilities.
- ❑ Accountabilities should be delegated such that the "package" has integrity to it so that employee commitment can be sustained and not regularly eroded.
- ❑ Wherever possible (and without breaching the integrity aspect) the span of control i.e. size of the managers/supervisors team/natural working team should not be less than 3 subordinates and not more than 6/7 subordinates.
- ❑ All employees should be accountable to one person only.
- ❑ Wherever possible organisation structure should define and underpin client accountability.
- ❑ The hierarchy manifested by the formally defined structure should be universally understood within the organisation so that the chain of command is known. This is essential for a number of reasons including formal communication purposes and resultant resolution of unresolved conflict (the delegate up principle).
- ❑ Structure should not be built around people/people skills or personal preferences. This is the most commonly found fault in inappropriate organisational structures. The most appropriate person/skill profile should be identified to therefore best "fit" the job/accountability profile.

- ❑ Committees are not a suitable substitute for, nor should they erode, line management accountabilities. They should be recognised as a resource/mechanism for assisting line managers in their decision-making.
- ❑ Organisation structure at all levels should address and eliminate grey areas, overlap and oversight in accountability.
- ❑ Without a proper and comprehensive formal definition and understanding of accountabilities at the top of an organisation and appropriate devolution of same down and across the organisation the following problems/consequences will exist in part or comprehensively:
 - ◆ lack of understanding, oversight and duplication of responsibility at the top levels of the organisation;
 - ◆ inability to determine appropriate employee numbers and or skills;
 - ◆ lack of understanding, oversight and duplication of responsibilities at employee to employee interface;
 - ◆ inability to identify and take timely action on priorities and/or changes of direction;
 - ◆ lack of acceptance and commitment by employees for:
 - client accountability
 - product accountability
 - functional accountability
 - ◆ inability to identify and reward performance excellence and identify and address non performance;
 - ◆ inability to produce a bottom up Corporate Plan and Annual Operating Plan and activity-based budget (that reflects the organisations mission statement) and the consequential lack of relevance and employee commitment to it;
 - ◆ consequential direct and indirect cost inefficiencies and or losses due to wasteful expenditure of employee energies on grey areas or overlap of assumed responsibilities, and no action on oversight in responsibilities (up to 25% of total employee time/cost);
 - ◆ lack of energies and funds directed toward required goals and objectives; and
 - ◆ inability to cost effectively manage the organisation's resources and asset base.

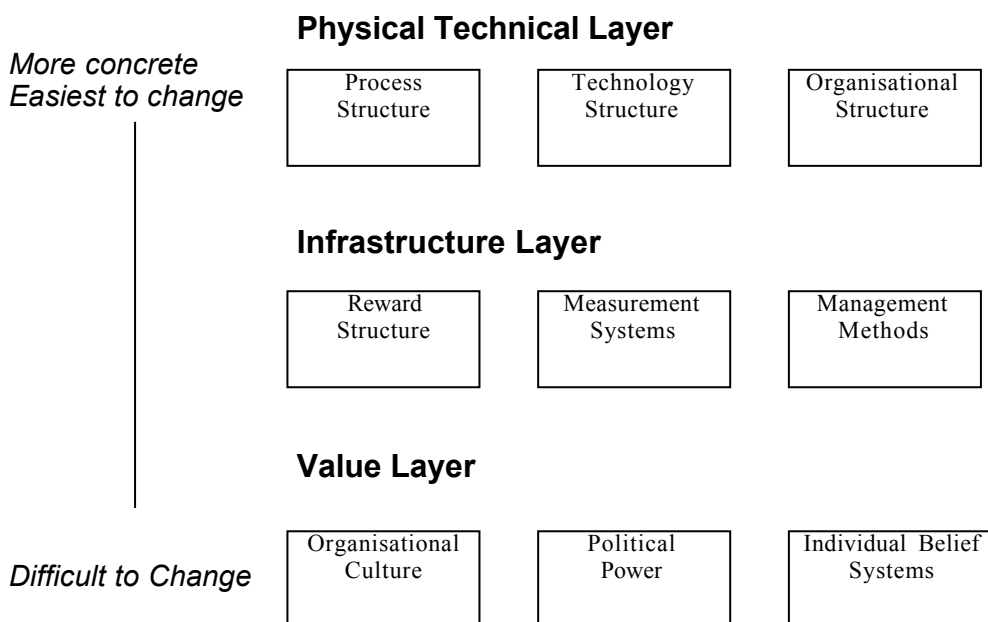
As illustrated in Figure 1 below, organisation structure is the single most compelling discipline influencing the viability of a business. Not only does structure directly impact dramatically on costs (percentage of total budget on payroll) but all other management disciplines are underpinned by it and are at least to some extent dependent upon it.

Figure 1: Foundation stones for corporate effectiveness



3.2 Change and organisational diagnosis

From a change perspective there are 3 key organisational layers that must be taken into account if any change process is to be successful.



□ Physical/ Technical Layer

The first layer, the most visible and most concrete, is the physical/technical layer. Within this layer are the process, technology, and organisation structures which provide an organisation's operational foundation.

The *process structure* consists of the business processes, their outcomes, and the policies, practices, and procedures that support the processes. The process structure defines what, when and how work is performed and determines the business outcomes - the business products and services.

In a library context some processes such as core circulation procedures demand tight control while others allow a more flexible approach such as customer-complaint handling processes. The true purpose of process is to produce a "quality" outcome in a timely, predictable manner. Processes, in and of themselves, are meaningless - it is the outcomes that are important.

The *organisational structure* defines who performs, manages, and is accountable for each business process. Organisation includes the job structure, reporting and work-group relationships, accountabilities, job content, and skill/knowledge requirements.

When process and organisation structures are out of alignment, there are gaps in accountability. Too often, attempts at improving an organisation change only the organisation's structure, adding to rather than reducing market misalignment.

The interpretation of policies and procedures heavily influences how the physical/technical dimensions perform on a day-to-day basis. Therefore, if the physical/technical dimensions change, the infrastructure dimensions must also change because they reinforce desired operational behaviours.

Without proper reinforcement, performance in the new environment will deteriorate for without new skills, managerial support, adequate incentives, and feedback, staff will return to the old, comfortable ways of working.

□ **Infrastructure Layer**

The second layer, the infrastructure layer, consists of the reward structure, measurement systems and management methods. These support the physical/technical operational layer.

The *reward structure* regulates behaviour across the organisation. Rewards may be formal or informal, financial or recognition-based. Ideally, well-designed jobs provide a work environment that is rewarding in and of itself. Such jobs motivate people to think and take action, to excel, and to meet performance goals. Often, however, there are incongruencies between the desired behaviours and those behaviours that are actually rewarded.

Restructuring reward structures can pose particularly difficult problems in a public sector change environment due both to award rigidity and the fact that reward processes, policies and practices are often seen as outside the scope of a change management project.

Measurement systems comprise formal feedback processes that provide information on organisational performance. Good measurement systems deliver appropriate information that is closely geared to organisational outcomes and provide actionable information enabling staff to improve organisational performance within their sphere of control and accountability. While too much information will be ignored; incomplete information generates faulty decisions. Effective measurement should uncover the need for change and reduce the randomness and unpredictability of process performance.

Management methods (ie, management practices and disciplines as outlined in Part 4.1), consist of the practices and techniques used to supervise, develop and support the people who perform the business processes. They are the primary reinforcers of an employees' day-to-day performance.

This dimension is too often one of the most neglected in change projects because it is seen as outside the project scope. But, unless managers and supervisors fully understand the implications of the new environment and learn how to support it, the benefits will quickly erode.

□ **Value Layer**

The third layer is the least visible and most difficult to change. These dimensions define the organisation's culture and drive behaviour. It is from these dimensions that leadership and improvement philosophies must emerge. If these dimensions are not aligned to reinforce behaviour supportive of the change strategy, even the best re-engineering design will not outlast its initial implementation.

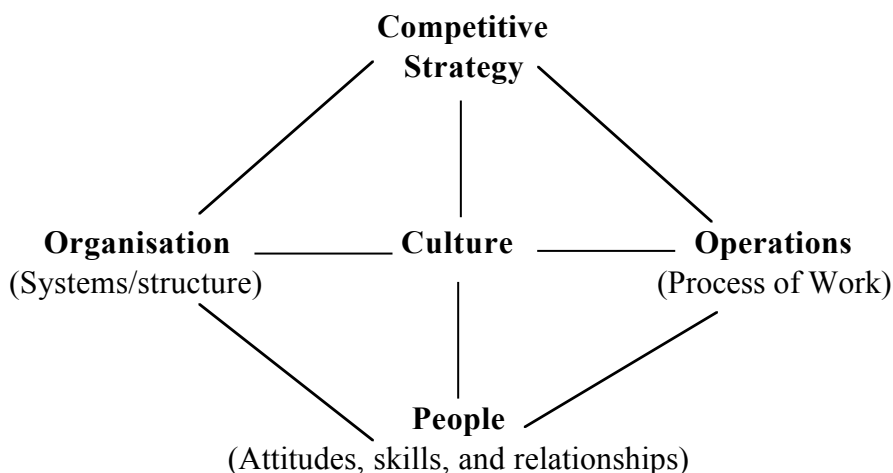
Organisational culture consists of the unspoken, collective rules and beliefs of the organisation. We can discern this dimension through the organisation's language, symbols, myths, and rituals. The culture defines what is important to the organisation more forcefully than any memo from the Library Manager. The older the culture, the more ingrained the beliefs and values and the more difficult change becomes.

With *political power*, individuals manipulate and shape the actions and behaviours of others. Both formal and informal leaders use power to promulgate and reinforce culture. Political power generally originates via the position held in the organisation or through expertise, knowledge, or connections. If changing the physical/technical dimensions upsets the existing power balance, the threat of a loss of power can provoke a confrontational or subversive response.

Individual belief systems are the attitudes and mental models that individuals apply to themselves, those they work with, and the work itself. People at all levels in the organisation have mental models and beliefs that shape their attitudes towards others and their behaviour on the job.

Cultural characteristics like impatience, scepticism, openness, control, rigidity, or flexibility find their origins within individual mental models. For example, if employees believe that management can't be trusted, or that nothing will change, empowering these employees to take action and make decisions is unlikely to occur effectively without a well-planned staff development program.

Berger and Sikora⁵ propose a similar approach to organisational diagnosis in what they describe as a systems framework for organisational change. As outlined in the diagram below, this framework can "guide managers to ask questions at four different but interconnected levels of analysis, strategy, organisation, operations, and people":



In this model, having identified key strategic tasks at the beginning of the change process, management now must examine how well the remaining three elements are aligned by posing the following questions:

- ◆ *How do the processes for operating the business block strategy implementation?*
- ◆ *How do organisation structure and systems cause the process problems that were identified?*
- ◆ *How do attitudes and relationships of individuals and groups cause ineffective processes?"*

Clearly, without a systematic approach, the multiple factors that cause market misalignment - a lack of vision, low coordination and commitment, and poor service quality cannot be identified. Furthermore, managers are not prompted to examine the effects of their management skills and behaviour and those of their line supervisors on morale and culture.

⁵ Op. cit. P. 43

3.3 Changing views of the organisation

- ❑ In Parts 2.2 and 2.3 a range of organisational change characteristics and strategies were outlined which, in response to societal factors, confirmed the trend away from traditional mechanistic and hierarchical structures to more behavioural models.
- ❑ Management models based on bureaucracy and Taylorism which promoted the values of *control*, *impersonality* and the *mechanising of* the organisation was supported in the past by social values of objectivity (workers as objects), positivism (one 'correct, factual and visible' reality) and elitism (managers think and workers do) ultimately proved ineffective in the increasingly individualistic postwar era.
- ❑ Understanding values, which are essentially an expression of 'truth' as the person sees it, is thus crucial to the understanding of organisational culture.
- ❑ Values may be an abstract concept but they have a very practical day-to-day impact on working life, beginning with strategy. A contemporary human resource strategy of empowering employees by developing creativity, challenge and critical questioning could not be contemplated in the previous traditional bureaucratic value system.
- ❑ Given that values are the vital essence of each level of the organisation, whether work group, department or organisation as a whole, it is surprising that most training and development programs centre around tasks and procedural skills and not the assumptions and values which underlie them.

These contrasting approaches are typified by Figure 2⁶ below:

Figure 2: Changes facing managers

Aspects that have dominated	Now to include or replace
The 'machine' ethic with <i>concrete</i> structures, strategies and a systems approach	The 'organic' ethic with <i>pliable</i> structures, strategies to match values, and 'soft' systems which include the people element
Managers think, workers do	Managers as facilitators and workers empowered to think, plan and initiate change
Military model of obedience	Co-operative model of commitment
Content and outcomes: narrow use of tools and techniques	The 'how' processes overall use of tools and techniques
Taught solutions	Seeking out problems and issues, and working out solutions which harmonise
'Truth' based on organisational 'laws' and proven principles	Interpreting 'reality' to embrace realities of others

Alma Whitely⁷ relates these contrasting styles to changing values of managers based on their personal view of "what human beings are and how they should be treated".

Figure 3: Supervisory style and world view

Mechanistic View	Behavioural View
Humans are compliant and obedient	Humans are intelligent and able
Humans are not responsible	Humans are responsible
Humans need to be controlled/supervised	Humans are self-manageable
Humans can do	Humans can think

⁶ Adapted from Pascale, R.T. *Managing on the Edge*, New York, Simon & Shuster, 1990, p.32.

⁷ Ibid. p.10

Supervisory Style A	Supervisory Style B
Supervisory style is controlling	Supervisory style is enabling
Information is screened	Information is shared
Atmosphere is closed/suspicious	Atmosphere is open/trusting
This style organises around task	This style organises around process
Hierarchy is pyramidal	Hierarchy is flatter
Managers are used to manage	Teams are used to manage
Profitability drives performance	Customers drive performance
Individual performance is rewarded	Team results are rewarded
Prescribed skills are rewarded	Multiskilling is rewarded
Supplier/customer contact is minimised	Supplier/customer contact is maximised
This style teaches people to follow taught solutions	This style teaches people to think and learn

Key competencies for managers and employees in the 90s and beyond can thus be summarised as follows:

Managers

- ❑ Strategic thinking
- ❑ Change leadership and implementation
- ❑ Relationship management
- ❑ Entrepreneurial innovation
- ❑ Interpersonal skills
- ❑ Managerial behaviours that are empowering
- ❑ Team facilitation
- ❑ Adaptability

Employees

- ❑ Flexibility
- ❑ Motivation to seek information and to learn
- ❑ Motivation for achievement and by challenge
- ❑ Collaborativeness
- ❑ Interpersonal skills
- ❑ Customer service orientation

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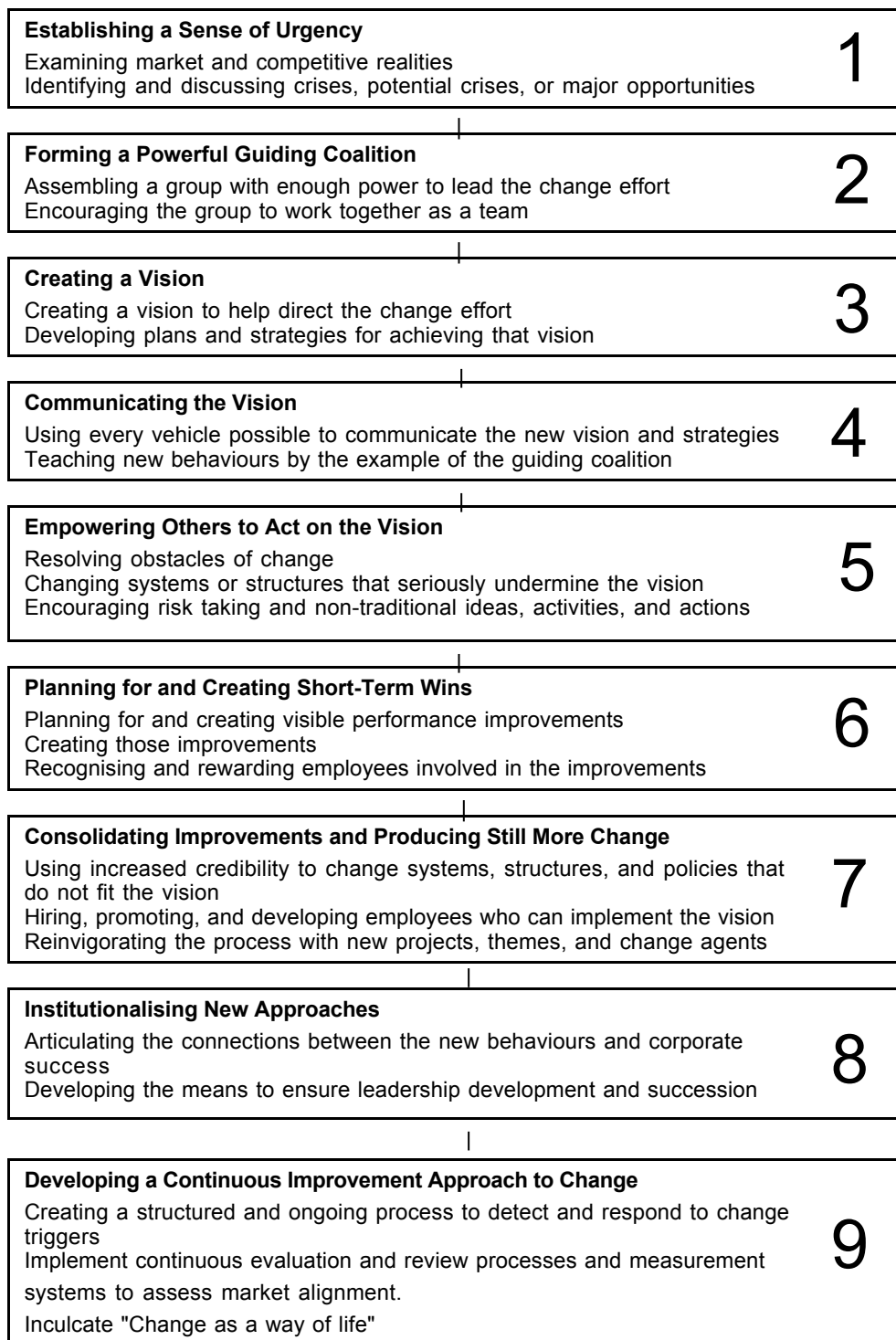
KEY STEPS IN THE CHANGE PROCESS

As outlined below and graphically depicted in Figure 4 on the following page, nine key steps to successfully implementing a change program are outlined.

Step 1: *Establishing a Sense of Urgency*

- ❑ Most successful change efforts commence when individuals or groups within an organisation begin to critically assess the organisation's competitive situation, market position, technological trends and financial viability.
- ❑ These groups find ways to communicate this information broadly and dramatically, particularly regarding potential crises or great opportunities that are about to effect the organisation.
- ❑ This first step is essential because establishing a change process often requires the strong cooperation of many individuals.
- ❑ Most failures in implementing change processes occur at this stage as managers often underestimate how difficult it can be to encourage staff out of their comfort zones and get them to appreciate the urgency of the situation without in turn creating an undue crisis and fall in morale.
- ❑ While the key role of management is to minimise risk and maintain the current system, change by definition requires creating a new system which demands leadership in addition to management.
- ❑ To design a successful strategy for change the library manager must start with an understanding of why and how performance needs to improve - in other words, the performance imperative. Does the library face an immediate threat to its viability, or simply an opportunity to make improvements. Is there a challenge on the horizon, perhaps from technological innovation for which the library should be preparing?

Figure 4: Nine Steps to Transforming Your Library⁸



⁸ Adapted from Kotter, John, *Leading Change: Why transformation efforts fail*. Harvard Business Review, March-April 1995, pp.59-67.

Step 2: Forming a Guiding Coalition

- ❑ While major change processes often commence with just 1 or 2 people, in the case of successful transformation efforts the change coalition steadily increases over time.
- ❑ While major change is unlikely without the direct support of the library manager, a successful change project requires a group of change agents from across an organisation, representing a powerful coalition in terms of positions, expertise and relationships to come together and develop shared commitment to excellent performance through renewal.
- ❑ Because the change coalition often includes members who are not part of senior management, it tends to operate outside the normal hierarchy. While this can create difficulties, this is clearly necessary as if the existing hierarchy were working effectively, there would be no need for a major transformation.
- ❑ A high sense of urgency within the organisation is essential in creating the ground work for the change coalition. Leadership is however required to maintain the group and develop a shared assessment of the library's problems and strategic opportunities and create a high level of trust and communication.
- ❑ These strategic opportunities can become the basis for defining and developing the organisational capabilities required for future viability. When driven by the senior management team, the process develops understanding and commitment to a direction which is essential if the team is to reinvent itself into the pattern of organising and managing needed to implement the strategy successfully.
- ❑ Organisations that fail in phase 2 usually underestimate the impacts of change through all dimensions of the organisation (ref. Part 4.3 above), the importance of a powerful guiding coalition, and often have little history of teamwork at the top level.
- ❑ An organisation's readiness for change can be expressed in terms of its distribution of change types. Without the proper mix of these change types as broadly defined below, an organisation will most likely be unable to effectively implement change and make the required adjustments to continually align itself with its market.

- Change types are broadly profiled as follows:
 - ◆ *Change Agents*. These are people who have recognised a change trigger and its impact and who have a passion to force an organisation response. Successful change agents have their role legitimised within an organisation and are a feature of global technology corporations in their attempts to stay ahead of their competitors in a rapidly changing market. Change agents are therefore *"the means for disclosing, discussing and diagnosing the undiscussable and then using the data to reinvent the organisation"*⁹.
 - ◆ *Change Managers*. Sometimes change agents can become change managers, but most likely they will not. Change managers go beyond the old concept of leadership because they incorporate authority conferred from above and respect from below with a capacity to plan, organise, and implement change plans quickly and decisively. They are capable of using the system to gain results.
 - ◆ *Change facilitators*. All individuals who actively support change managers are change facilitators. They can be located at any organisational level and at any function.
 - ◆ *Change Buffers*. People who passively resist change or comply without commitment are change buffers. They typically deny the need for change, and when change programs are implemented, they feel they've "been through this before". Change buffers can however serve a legitimate role in forcing the organisation to consider all options before actions are taken.
 - ◆ *Change Resistors*. These are people who act to destabilise any campaign against change because of their perceptions that such change will have a severe negative impact on them personally and/or the future of the organisation.

Step 3: Creating a Vision

- Successful change projects also occur where the guiding coalition develops a picture of the future that is relatively easy to communicate and appeals to key stakeholder groups - Council, community and staff.
- A vision succinctly states the direction in which an organisation needs to move. Without it, a change process can easily diminish into a list of poorly thought out and incompatible projects that will lead the organisation into the wrong direction or nowhere at all.
- In a library context, the visioning process typically commences with a rigorous situation review where all aspects of the library - its structure, operations, services and market alignment are critically assessed. Key steps in a systematic review process incorporating an analysis of Critical Success Factors is outlined on the following page:

⁹ Berger and Sikora, *ibid.* p. 41

Situation Review Process

Step 1. Situation Analysis

- ⇒ What are we doing?
- ⇒ Why are we doing it?
- ⇒ Where are we going?
- ⇒ How well are we performing?
- ⇒ What are our *Critical Success Factors*?
- ⇒ What are the constraints on our performance?
- ⇒ How can we define Best Practice or excellence and how can we achieve it?

Step 2. Customer Profiling

- ⇒ Who are our customers / stakeholders?
- ⇒ What are their requirements / expectations?
- ⇒ How do they rate our performance?
- ⇒ How will their requirements change over the next 5-7 years?
- ⇒ What are the needs of potential customers?

Step 3. Environmental Scan

- ⇒ What factors - internal and external, will impact on our future?
Evaluate legislation, researching, competition, technology, economic factors, political change, new management trends, demographics, income opportunities, changing function of buildings etc.

Step 4. Synopsis

- ⇒ How will the sum of these factors affect customer requirements over the next 5-7 years?

Determining Critical Success Factors: Key questions

- What are the key factors for success in public library services from the viewpoint of key stakeholders?
- What factors cause most problems, ie failure to achieve excellence?
- What factors make customers satisfied?
- What specific problems have been identified in service delivery?
- Where is the pressure of competition felt in the organisation?
- Which services/products account for the largest share of costs?
- Which functions/services/products offer the greatest opportunities for improvement and potential for a leap forward?

- ❑ A vision statement for a public library would therefore tend to include the following elements:

To provide an innovative, cost-effective library service that is responsive to change, that offers excellent customer service, that tackles the challenge of the information revolution by acting as an electronic gateway to the world of information, that provides accessible and well researched library buildings with diverse and relevant collections and which is vital to the community it serves.

Strategic and business planning processes which follow development of the vision statement are outlined in Appendix 3: Notes on Business Planning and Measurement Processes.

- ❑ Vision development can also be aided by visits to other organisations where innovative practices are utilised. Whatever the means, the library management team must be able to define how the organisation will operate differently and how this difference will address the fundamental barriers to strategy implementation that were identified in Step 1.
- ❑ It is said that in failed change projects there is often an abundance of plans and directives and programs, but no vision about the direction of the organisation.

Step 4: Communicating the Vision

- ❑ Major transformation is unlikely unless the large majority of staff within an organisation are willing to work together often to the point of making short-term sacrifices. In most cases staff will not make sacrifices, even if they are unhappy with the status quo, unless they believe beneficial change is possible.
- ❑ Without a credible vision, a well thought-out plan and an effective communication process staff support will not occur.
- ❑ This step is particularly challenging if the short term sacrifices include a major organisational restructure and the likelihood of job losses. It is therefore critical that the vision points to a highly positive yet realistic future, with new prospects for growth coupled with the commitment to treat fairly any staff who are made redundant.
- ❑ Change starts with communication to employees about how the organisation will operate differently. Because competing in the global economy requires a major shift in organising and managing - from a hierarchical organisation to a task-driven team-based organisation - the new organisational vision will require a radical change in behaviour.
- ❑ In successful change efforts, management use all existing communication channels within the organisation to transmit the vision, and in the process transform the previous communication channels into a mode reflecting the values and operational style of the new organisation.
- ❑ Communication comes in both words and deeds. It is therefore essential that key staff consciously symbolise the new organisational direction in all their actions.

- The 5 key steps in staff communication are:
 1. Communicate the purpose - staff have to understand the logic of the change before they can turn their minds to work on it.
 2. Paint a picture of how the outcome will look and feel - staff need to experience it imaginatively before they can give their hearts to it.
 3. Set out a step by step plan for phasing in the outcome - staff need to know how the organisation can get from here to there and where they will fit.
 4. Give each person a part to play in both the plan and the outcome - to give support, staff need a tangible way to participate, otherwise they will feel left out of the process and achievement of the outcome.
 5. Resist the temptation to silence dissident voices and listen instead of dictate and demand.
- The benefits of involvement in the change process include:
 - ◆ staff gain insight into the real problems faced by the organisation;
 - ◆ by sharing these problems, management and staff become aligned on one side and the problems on the other;
 - ◆ giving staff a role brings the combined weight of the organisation to focus on solutions;
 - ◆ the knowledge derived from the process also includes facts about the self-interest of the various parties;
 - ◆ everyone who plays a part is implicated in the outcome.

Step 5: *Empowering Others*

- Successful change projects involve increasingly large numbers of staff as the process progresses. Staff are encouraged to try new approaches, develop new ideas and to provide leadership.
- While the guiding coalition led from the top empowers others to take action by successfully communicating the new direction, effective change also requires the removal of long standing organisational roadblocks.
- Often an employee may understand the new vision and wish to take part in its implementation but is confronted by unnecessary obstacles. Such obstacles may include:
 - ◆ the employee's immediate line manager who may wish to undermine the change effort by maintaining structures and systems inconsistent with the new direction;
 - ◆ unnecessary roadblocks within the organisational structure; and
 - ◆ compensation or performance appraisal systems which may make staff choose between the new vision and their own self interest.

- ❑ It is important that change roadblocks originating from particular supervisors and line managers be addressed without delay otherwise the commitment of staff to the change process will result in cynicism concerning the motives of management and cause collapse of the change effort. Vigorous action by top management is essential at this stage to empower others and to maintain the credibility of the change effort as a whole.

Step 6: *Creating Short-Term Wins*

- ❑ Major change processes often require considerable time to implement and as a result risk losing momentum if there are no short-term goals to meet and celebrate. Without short-term wins many staff will either drop their support of the change process or may join those who have been resisting change.
- ❑ To continue momentum, it is important to look for ways to obtain clear performance improvements within short term action planning and reward the staff involved with recognition, promotions, and rewards.
- ❑ When it becomes clear to staff that the change process will require a major effort by all concerned and take considerable time to achieve, urgency levels can drop. Commitment to produce short-term wins will persist to maintain the urgency level and can more effectively focus outcomes.

Step 7: *Consolidating Improvements*

- ❑ At this stage leadership is essential to use the credibility gained by short-term wins to change the system, structures and policies that fail to fit the new vision. This is then followed by a focus on deeper, underlying shortcomings within the organisation that have not been previously confronted.
- ❑ Similar to the previous steps, this step requires careful monitoring to ensure that the momentum of previous stages is maintained. In cases where the initial urgency level, guiding coalition and vision were less than optimal, a premature celebration of short term gains kills momentum.

As Kotter¹⁰ states "Ironically it is often a combination of change initiators and change resisters that creates the change victory celebration. In their enthusiasm over progress the initiators go overboard. They are then joined by resisters who are quick to spot any opportunity to stop change".

¹⁰ Kotter. p.66

Step 8: Institutionalising New Approaches

- In Stage 8 the change process is near completion when all aspects of the vision and change plan become "the way we do things around here"¹¹. Until the new behaviours are based in the social norms and shared values of the organisation they will be subject to challenge as soon as the pressure for change is removed.

- In leading the change program it is important at this stage that the library manager reinforce progress by communicating to all staff how the newly introduced behaviours and attitudes have been fundamental to improved performance and also by monitoring the approach of line managers to ensure that they personify the new approach.

Step 9: Developing a Continuous Improvement Approach to Change

- The final steps to success are:
 - ◆ to inculcate the principle of "change as a way of life" throughout the organisation; and
 - ◆ to develop a continuous improvement approach to change through the creation of a structured and ongoing process to detect and respond to change triggers. This requires the implementation of a review, measurement and response process that continuously assesses the organisation's alignment to its market.

¹¹ Ibid. p.67

5

CHANGE AND THE HUMAN FACTOR

5.1 Change leadership

*"There is much still to learn about the anxiety and stress during change. Clearly, our culture triggers not only power struggles but also nine key questions on everybody's mind. The first three are - me, me, me, what's going to happen to me? The next three are when, when, when and the final three are why, why, why? The journey must therefore start with full enterprise-wise understanding of the need for improvement in quality and its leadership by top management."*¹²

- David Stringfellow, Fuji Xerox Australia

- A major reason organisational changes fail is that their impact on staff was not fully thought through or planned. While the first task of change management is to identify the destination and how to get there, it is said that the major task of leadership in a changing environment is "to convince people to leave home".
- As illustrated in the above excerpt, employees face change with a series of questions, fears, anxieties and a sense of uncertainty about what the future will hold. A sense of loss of control, a fear of the unknown, a sense of being rejected for qualities and skills that previously made them feel valued, as well as concern about living up (or down) to new demands are felt, in addition to a sense of bereavement or loss for what has passed.
- A planned and compassionate approach by management to the human impacts of change is thus essential if organisational dislocation is to be prevented. This requires attention to the following key steps:

1. Identify and communicate the areas of change

In as much detail as possible describe:

- ◆ what exactly is going to change and for whom;
- ◆ the losses - what is actually ending for the group, and on an individual basis, who is losing what;
- ◆ what staff must let go of - their peer group, the roles that gave them a sense of competence, their former expectations; and
- ◆ the areas that are not going to change.

¹² Quoted in Whitely, Ibid, p. 34

Unless these issues are clearly understood, staff are unlikely to stop doing anything. They will attempt to do all the old things *and* the new things, will make their own decisions about what to discard and what to keep, and the result will be chaos.

2. Listen and do not over-react

The ability of management to listen and accept the reality and importance of subjective losses is essential.

3. Openly acknowledge losses and accept signs of grieving

Losses need to be directly brought out into the open, acknowledged and concern should be expressed for the affected staff. Loss and grieving will often manifest in the form of denial, anger, bargaining, anxiety, sadness, disorientation, depression and aggression and must be addressed sensitively and where appropriate with skilled counselling support.

4. Compensate for the losses

A key question to ask is - *what can be done to give back what has been taken away?* For example, if the feeling of competence has been taken away when some long-standing roles have been made redundant, new feelings of competence could be fostered with training in other functions.

The compensating principle is thus basic to all change processes and even the most beneficial changes can fail where it is overlooked

5. Communicate constantly

As discussed earlier, full communication is essential. Typical rationalisations for not communicating include:

- ◆ *They don't need to know yet. We'll tell them when the time comes. It'll just upset them now.* Such an attitude breeds mistrust and just feeds the rumour mill.
- ◆ *They already know, we announced it.* Threatening information is absorbed slowly so repetition is essential.
- ◆ *I told the line managers/supervisors, it's their job to tell the staff.* Given that line managers may well be feeling equally threatened, they may not wish to share the latest information from top management (after all, information is power) or may not sufficiently understand the implications of proposed changes to convey them accurately. The key is not to assume that information works through the organisation in a reliable and straightforward manner.
- ◆ *We don't know the details ourselves, so there's no point in saying anything until everything has been decided.* It is much better to say what you do and don't know and commit to more information as soon as it is available.

6. Mark the endings

It is important not only to talk about the endings but create actions that dramatise them.

7. Treat the past with respect

In enthusiasm for a new future while it may be tempting to refer negatively of the past (i.e., the old way of doing things), this can build resistance against change as staff will identify with the way things used to be and feel that their self-worth is attacked. A more positive and ultimately more successful approach is to present the change program as one that builds on the past and helps realise its potential.

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APPENDIX 1: Library Users' Charter

THE LIBRARY USERS' CHARTER

WHEN YOU USE THE "PLEASANTVILLE" LIBRARY SERVICE,
YOU ARE ENTITLED TO EXPECT

EASE OF ACCESS

Access to library and information services at hours appropriate to community needs

A WIDE CHOICE OF LIBRARY STOCK

A range of materials for all sections of the community

INFORMATION SERVICES

The provision of or referral to information on any subject

CURRENT TECHNOLOGY

A commitment to provide services utilising the latest developments in library and information technology

PLEASANT LIBRARY PREMISES

A well maintained library which offers a pleasant and welcoming environment

A FAIR AND IMPARTIAL SERVICE

A helpful, efficient and cost effective service provided to all without bias, and in confidence

CLIENT ORIENTED SERVICES

*The best service at all times within available resources
Suggestions made by our customers will be considered as part of our continuous review of services and procedures*

POLITE AND KNOWLEDGEABLE STAFF

*Helpful staff, trained in customer care, who will treat you with courtesy and consideration
Specialist advice from qualified staff*

HELPING US TO HELP YOU

Please be considerate of other library users. Take care of library materials, and return them promptly. Let us know if you have had a problem with our services.

APPENDIX 2: Key Components Of Service Quality

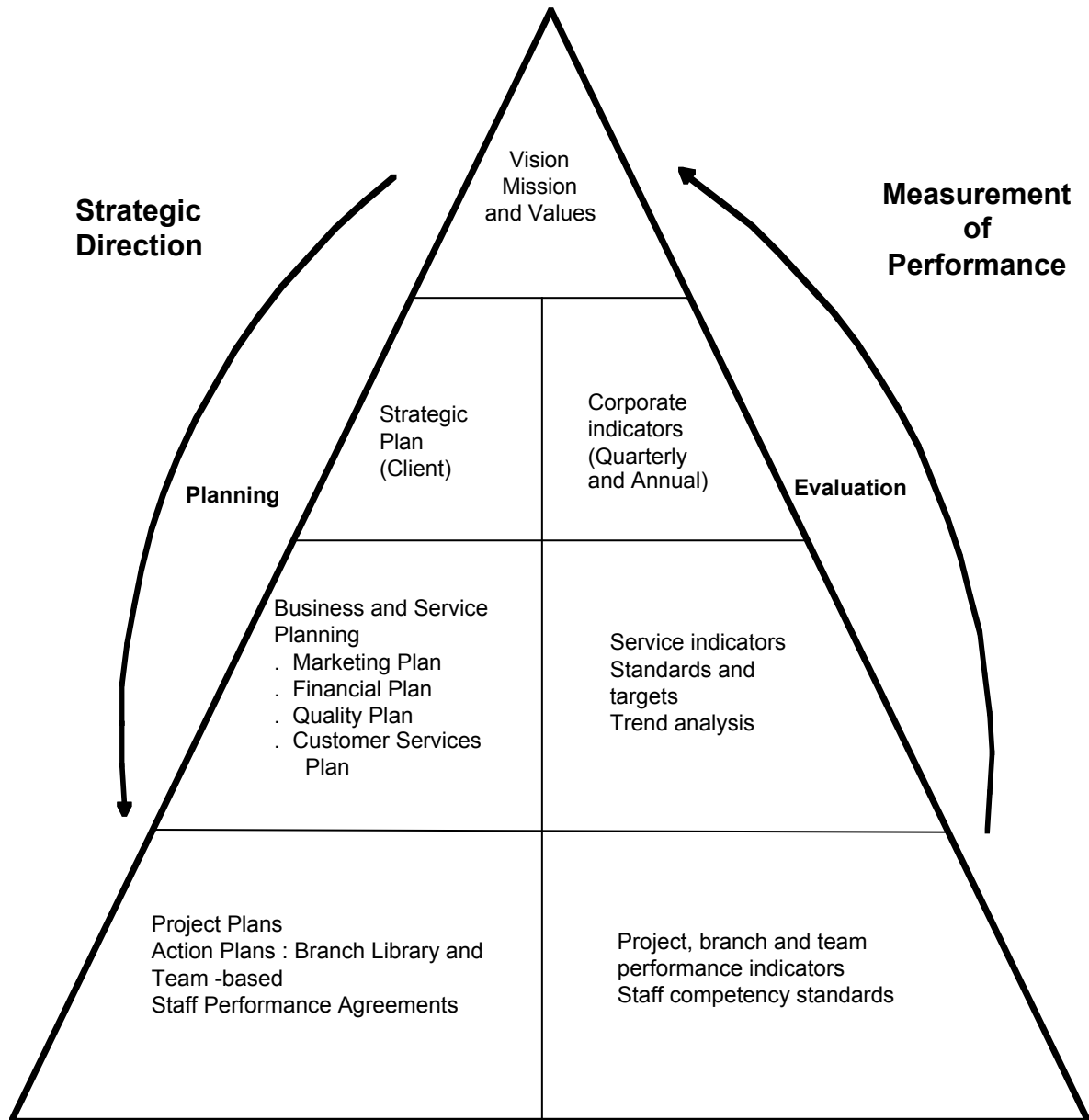
Reliability:	consistent, predictable performance; dependability; "the right service right the first time"; accuracy
Responsiveness:	readiness and willingness to provide prompt service; timeliness
Competence:	possessing necessary skills and knowledge to perform the service
Access:	approachability; ease of access; waiting time; hours of operation
Communication:	listening; adjusting language to different needs of different customers; explaining the service, how problems and complaints can be handled
Assurance:	staff knowledge, courtesy, friendliness; ability to inspire trust and confidence; image of organisation
Security:	freedom from danger, risk and doubt; confidentiality
Empathy:	understanding customer needs and specific requirements, individual attention; recognising the regular customer
Tangibles:	quality of facilities, equipment, appearance of staff; other customers

APPENDIX 3: Notes on Business Planning and Measurement Processes

1. Key Steps In Business Planning

- Forming a vision, mission and values
- Identifying core objectives and strategies
- Setting performance targets & establishing a performance management system
- Deciding on a management framework
- Establishing management plans
 - ⇒ Action steps
 - ⇒ Major milestones
 - ⇒ Responsibility assignments
 - ⇒ Completion dates
 - ⇒ Cost/benefit targets
 - ⇒ Review processes
- Resolving service delivery / infrastructure issues
- Allocating resources
- Evaluation and review processes
 - ⇒ quality systems
 - ⇒ customer feedback
 - ⇒ reporting

2. Business Planning and Performance Measurement Framework



Performance Measurement Framework

3. **Essentials of Measurement**

- "You are what you measure"
- What an organisation measures shapes staff thinking, communicates organisation values and focuses organisational learning
- Using measurement to anticipate and drive change provides:
 - ◆ a clear understanding of the dynamic cause-and-effect relationships at work in the business;
 - ◆ key measures of performance for providing customer, employee, and long-term shareholder value that can be compared to target levels;
 - ◆ incentives for employees to react appropriately to new information; and
 - ◆ continuous monitoring of responses and their effects to facilitate learning and adapt to change.

4. **Library Business Plan Outline**

EXECUTIVE SUMMARY

A. CORPORATE SUMMARY

1. Corporate Overview
2. Business Unit Details
3. Organisational Structure
4. Business Unit Structure
 - 4.1 *Business Unit Management Structure*
 - 4.2 *Business Unit Organisational Structure*
5. Business Unit History

B. BUSINESS OVERVIEW

1. Business Description
2. Mission, Vision and Values
3. Current Position and Outlook
 - 3.1 *Overview*
 - 3.2 *Service Profile and Trends*
 - 3.3 *Accessibility*
 - 3.4 *Buildings*
 - 3.5 *Collection and Resources*
 - 3.6 *Customer Service*
 - 3.7 *Staffing*
 - 3.8 *Information Technology*
 - 3.9 *Performance*

Library Business Plan Outline (Cont'd)

4. Funding Arrangements
5. Uniqueness and Differentiation
5. Pricing and Charges

C. MARKET RESEARCH

1. Market Overview and Size
 - 1.1 *Age Characteristics*
 - 1.2 *Income and Social Disadvantage*
 - 1.3 *Education and Employment*
 - 1.4 *Ethnicity*
2. Market Segments
3. Customer Profile
4. Competition
5. Market Share
6. Market Trends
 - 6.1 *Demographic impacts*
 - 6.2 *Context of the Future*
7. Conclusions - The Unfilled Need

D. STRATEGIC ANALYSIS

1. Key Success Factors
2. SWOT Analysis
3. Sustainable Competitive Advantage
4. Conclusions

E. OPERATIONAL PLAN

1. Objectives, Strategies, Action Plans and Performance Measures
2. Future Directions

F. FINANCIAL PLAN

1. Assumptions, Definitions and Notes
2. Income and Expenditure
3. Cash Flow Statement
4. Balance Sheet

APPENDICES:

- Library Users' Charter
- Community Survey Results
- Customer Services Plan
- Quality Plan
- Marketing Plan