

Case study: Merging cultures

This is a 'What-if' scenario, created from material collected in 2012, as part of a research project by Alana McDonald, to identify and make available leadership experiences from LDC alumni.

The purpose of the case study is to stimulate reflection and discussion on leadership practice. You can either reflect on the scenario yourself, or use it in a facilitated discussion to examine a group's thoughts and ideas on the scenario.

If you have any comments or feedback, contact toolkits@ldc.govt.nz

You are a Tier 2 manager who has been bought in externally to occupy a position that will be responsible for an organisational merger. Previous to your appointment to the role, the decision was made to merge an Independent Crown Entity (ICE) into a core Public Service Department (PSD) in order to become more efficient and collaborative. As expected, the PSD was significantly larger in size, however due to a number of factors, staff vacancies were topping over 50 per cent. The ICE on the other hand, had been relatively successful as an organisation, and had a very tight knit and effective staff. One of the benefits of the merger outlined to you was that due to the PSD being so under-staffed, merging with the ICE would mean no redundancies would be necessary.

You have heard some ad-hoc rumours that the two organisations have traditionally been in open warfare, and the ICE is not only concerned about being swallowed up by the merger, but also losing their effectiveness and tight knit culture.

On your first day in the role, you were asked by the Chief Executive (CE) to accompany him with his roadshow on the merger decision to staff. The tension in each of the presentations was palpable and you could sense a significant amount of animosity towards you. At this time, the CE also introduced you as the person who would be leading and facilitating the change process. After several days of these roadshows, with similar staff responses, you have sat down to deliberate how you are going to proceed.

Questions

- What are some of the key factors you need to consider in this type of merger?
- What will be some of the key leadership challenges you are likely to face in this role?

Messages from a leader

Identify your champions and your resistance

- In every change process you are going to have people who will resist. Don't make the mistake of spending **all** your time with those people. Identify those people who are receptive to the change and make them champions of the change, give them responsibilities, and effectively reward their behaviours and attitudes. You need to focus on those in the middle, build their trust, and help swing them into being receptive too. If you focus too much on trying to change the resisters, you become at risk of those in the middle wavering and those who were receptive to lose interest.

Reframe change as an opportunity

- Had consistent communication around creation of a new culture and bringing people on board with seeing the opportunities of taking the best of both cultures to create something new. Don't spend your time engaging on the past, but focus on the future opportunities. Get people engaged in the results that you are to achieve.

Take advantage of neutral ground

- At first it can be daunting as the person coming in externally to manage something that has been poorly managed in the past. There are a lot of expectations. From above is that you deliver, and from below, is that you won't deliver if that is what they have experienced in the past. But see this as an opportunity to empathise with both cultures, be neutral and build on those relationship management skills.