Case study: Merging with difficulty—a journey through organisational change

This is a case study 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 your leadership practice. A case study provides an opportunity to ask yourself 'what would I do in the same situation?'

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

Merger

I encountered a leadership experience a few years ago that was both challenging personally and for my staff. My role was as a second tier general manager within the areas of government policy development, investment of public funds, and extensive external relationship management. I was extremely fortunate to work in, and help lead, an organisational culture that was challenging, motivating, fun and satisfying on most days of the week. The culture was open, creative and non-hierarchical, and I worked in a highly supportive executive team. I felt empowered to take positions on behalf of the organisation in external policy environments in my areas of responsibility and to lead my group functions. I was respected by other agencies. Despite working longer hours than in any previous role, I enjoyed it more.

The core Public Service organisation I worked for was going to be merged with another organisation. I had previously been part of considering this merger possibility as part of my own policy role. I was neutral but supportive of the merger when proposed and saw great opportunity to make it work for both organisations. While there was some inevitable risk to my long-term position as well as my staff, there were also likely to be new and challenging leadership opportunities opened up in forming the new organisation.

Challenging communication

Staff expectations of impending change were raised leading up to the merger announcement by speculation and awareness of the wider government plans to rationalise departments. This created a challenging internal communications environment for the Chief Executive and senior managers: myself included. I supported the Chief Executive at weekly all staff meetings to discuss publicly

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available information on the government's intentions and to take questions. The Chief Executive was open with staff that there were things we could and couldn't say with respect to our organisation's future. Staff greatly appreciated the openness despite the lack of detail and the culture remained generally optimistic.

Once announced, the merger required legislation and there was a 6-12 month window before the merger was to occur, and my immediate challenge was to work with both the existing senior leadership teams to map the benefits of the merger and provide leadership to staff in my own organisation. Both existing senior teams could see positive opportunities in the change and appeared motivated to work together to make the merger work. This made it relatively straightforward to provide staff with a positive, if uncertain, outlook on the change at the time. This was reinforced by Ministerial expectations that significant parts of each existing organisation would be moved relatively seamlessly into the new organisation and that some existing senior staff would also find roles in the new organisation.

Maintaining morale

However, as time progressed the initial optimism diminished. Our Chief Executive departed and with that, a significant driver of the culture of the organisation. At the same time an arms-length establishment process was initiated to manage the merger which I was not directly part of. This made it much more difficult to communicate with staff, despite the fact that I had even more responsibility than before to help lead the organisation through change following the Chief Executive's departure. The reduction in information and influence in the change process did not feel good—especially at a time when staff members were eager to know what was happening. My strategy at this point was to focus especially in my own area of the organisation on delivering our existing busy work programme. This kept staff busy and motivated and I was able to promote a mostly optimistic mood in the workplace. My own personal motivation benefited from my leadership role in designing the legislation for the new organisation and facilitating its passage through our Minister and Select Committee. I also increased my coaching, mentoring and support of other senior staff in our organisation involved in planning the merger. I sensed that this was important not only to them, but also in reinforcing a safe environment for other staff who observed me doing that.

Culture change and leadership challenges

With the formal appointment of the incoming chief executive of the new organisation several months prior to the merger itself, the mood changed further as staff increasingly realised that the culture they were part of, and which they valued, would inevitably now change. It also become apparent to not just me, but also to my staff, that opportunities and support for my group's functions were reducing and the expectations for the future were becoming dimmer. This period was probably the most uncertain

and destructive for staff and, for me, raised a particular dilemma: as a leader in the organisation, how could I remain authentic while presenting an honest but optimistic view of the future; and how could I reconcile this with the uncertainty of my own personal situation? Fortunately I was able to draw on my experiences from a previous LDC-sponsored course on mental toughness which highlighted the impact of different thinking styles and, in particular, the importance of 'optimistic' thinking and tools to achieve this. This subsequently lead me to 'Neuro Leadership': understanding leadership behaviour by drawing on the emerging understanding of what drives our brain's emotional flight or fight response to threat, or in this case change.

A model for supporting staff through change

I found the SCARF model, which identifies Status, Certainty, Autonomy, Relatedness and Fairness as divers of our emotional responses, particularly useful. It was clear to me that all of these drivers were in play in the change process to greater or lesser degree for different people. This helped me personally to identify what I needed to be doing as a leader to better support and lead my staff through the change, and I made changes as a result.

I deliberately found ways to acknowledge and influence these drivers for my staff. For example, I put additional effort into reading, responding, discussing and acknowledging work so that staff maintained their sense of status and value; I gave them more feedback; I helped them be more definitive about day to day work requirements and I encouraged them to focus on what they could control on a daily basis—even if it seemed trivial at some level! I also offered more opportunities for informal and formal one-on-one and group interactions; and I spent more time walking around and just being visible. I focussed a lot in these conversations on encouraging self-reflection on skills, goals and aspirations without reference to the particular change process we were in. I tried to instil a sense of self-belief in my staff and encouraged them to consider all the ways they could increase the control they exercised. I knew my staff well enough to tailor this approach and everyone responded differently. But I surprised myself how much impact these relatively easy and sometimes seemingly unnecessary things had on maintaining an optimistic mood and motivated staff.

Courageous decisions

Once the new organisational structure was published the organisation did receive more clarity around the future of our function and roles. This was a blessing, as the increased certainty calmed the speculation somewhat. However it remained personally challenging as I could see the reduction in scope of my role and the disbandment of some of my functions. I subsequently made a difficult decision not to seek reemployment in the new organisation. This decision was most difficult because of my sense of loyalty to the existing culture and organisation and my desire to provide pastoral care

for my own staff—there might be a perception that the person that they had relied on to 'get them through' was now deserting the ship so to speak.

Taking control

In fact, the decision had a different effect: people understood it and almost expected it. It clearly demonstrated taking control had helped some others to feel okay to make their own difficult decisions in their own interests. The impact on me was relief as I took back control of my situation. I could then focus my effort on how I could best support staff and the organisation for the balance of my time in the role through and beyond the merger. I was fortunate to be acting chief executive for the final month of our organisation's existence: and to 'turn the lights out'. I spent much of my time just connecting to staff, especially those I didn't normally interact with. Every now and then I walked the floor and initiated conversations about almost anything from jars of jelly beans and the angle of the rain outside the window. But I discovered that this had a powerful positive effect on many people who felt the need to stay connected to and respect the culture and people they were used to working with.

In terms of my own experiences, the SCARF model enabled me to normalise my experiences and reactions to the merger process, by understanding that perceived losses in status, control, and autonomy were valid responses to the change environment. It also helped me reassess what I valued and what motivates me in the workplace. The simple shift in the nature and focus of my discussions with others visibly picked the mood of staff up, and I was able to serve the rest of the time in my role effectively supporting staff.

While some staff chose to stay in the merged organisation, many moved on comfortably to new opportunities and challenges they never would have foreseen. They have taken with them the skills and attributes to make a difference in new places. The hardest part for them was the uncertainty that preceded clarity and finding an appropriate way to grieve and move on from the past. This is where leadership can make a real difference.

Questions

- What are the leadership challenges faced in this case study?
- How do you maintain authenticity as a leader in such an environment?
- Which elements of the SCARF model are apparent in this case study?
- How could you apply the SCARF model in your workplace? Are there any other models of behaviour change and/or motivation that you have applied in the workplace?

Messages from a leader

Being a merchant of hope

- I picked this phrase up many years ago and it has stayed with me since. It summarises what leadership is all about in challenging environments. At times in our career as leaders, we will face our own personal challenges. That needs to be managed and put to the side at times to stay effective as a leader. Every interaction you have with others is an opportunity to leave them hopeful about their future.

Applying models in the workplace
- When applying something like the SCARF model in the workplace, it was important not to throw it in their faces. With some staff, I talked through the model and offered it as something they could look into, but really just used it to refocus the way I interacted with staff, in a way that had direct meaning to behaviour.