

**LOCAL GOVERNMENT REFORM IN WESTERN AUSTRALIA
A CASE STUDY ON CHANGE READINESS**

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ABSTRACT

The Western Australian State Government's local government reform programme, initiated in February 2009, provides the context for this research. Nedlands, a local government in Perth's western suburbs, resolved to participate in this reform programme and signed a Regional Transition Group Agreement with Subiaco local government in August 2010. The purpose of the Regional Transition Group was to prepare a business plan to investigate the potential benefits and viability of a Nedlands and Subiaco amalgamation. Whilst the local government of Nedlands is currently investigating the more operational and technical aspects of local government reform in the merger feasibility study, this research focused on employee readiness, more intangible but no less important.

The difficulties of achieving success with organisational change initiatives are well documented. A number of models of planned organisational change have been developed to address these difficulties and support successful change and are outlined. This research highlights the value of the first phase of planned change, namely *readiness for change*, where organizational members are prepared for and become supporters of change. It also highlights the importance of change communication with respect to developing employee readiness. Definitions and some of the dimensions of 'readiness for change' are outlined.

The five dimensions of readiness for change - *discrepancy, appropriateness, principal support, efficacy and valence* - provide the 'lens' through which readiness for change at Nedlands is explored. From this perspective, the documentation communicating local government reform at Nedlands was analysed. These dimensions were also used to ascertain, from the perspective of the Nedlands' managers, their level of readiness and the readiness of the employees of Nedlands for local government reform.

The findings suggest that Nedlands local government has not consciously planned to 'ready' employees for local government reform. A number of management recommendations are made to strengthen the change readiness message communicated by the Nedlands local government and to support the development of the Nedlands employees' readiness for change.

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CHAPTER 1: INTRODUCTION

1.1 Introduction

The twenty first century is more turbulent, chaotic and challenging than ever before (Buono & Kerber, 2010: 4; Hagan, 1996: 147). Organisations need to change and adapt to the challenges of this environment. Achieving success with organisational change initiatives is very difficult, however, with research suggesting that up to seventy percent of change programmes fail (Buono & Kerber 2010: 4; Judge & Douglas, 2009: 635; Kotter, 1995: 59; Lyons, 2009: 460; Self & Schraeder, 2009: 168; Todnem, 2007: 3).

These challenges also affect the public sector (Karp & Helgo, 2008: 86). Research suggests that the change management programmes in the public sector tend to focus on the macro ‘technical, procedural and operational aspects’ of change, with the impact on public sector employees often being underestimated and treated as ‘largely an unmanaged process’ (Trader-Leigh, 2002: 138). Research on the impact of structural change on public healthcare employers found that many employees ‘came through the process of change feeling bruised, disenchanted, and demotivated’ (Bamford & Daniel, 2005: 391-392). This is not only detrimental to the individual, but inevitably impacts on the delivery of services, the very purpose of a public institution (Bamford & Daniel, 2005: 391-392).

The Western Australia State Government initiated local government reform in February 2009. The State Government described this reform as a ‘highly complex change process’ (LG Reform SC, 2010a: 35). In the light of these immanent changes, the difficulties associated with organisational change, the tendency to focus on the macro change issues and the importance of employees for successful change, this research focuses on local government reform and employee readiness for change. Nedlands local government, located in Perth Metropolitan, is utilized as a case study to explore this topic.

In this introductory Chapter the background to local government reform in Western Australia is described. An overview of local government reform at Nedlands local government is outlined. A brief motivation is provided on the importance of employee readiness for change and the key role of communication in creating readiness. The aims and the objectives of the study are then set out and the chapter concludes with an outline of the study.

1.2 Background to Local Government Reform in Western Australia

1.2.1 Local Government Reform - Rationale

The need for local government reform in Western Australia has been recognised in a number of reports since the 1960's (LG Reform SC, 2010a: 14). More recent reports, including the Local Government Advisory Board Report (2006), reports from the West Australian Local Government Association (2006, 2008) and the Western Australia State's Economic Audit Committee Report (2009), have reiterated the imperative for local government reform (LG Reform SC, 2010a: 14).

Local government reform was initiated by the Western Australia State Government and is being administered by the Western Australian Department of Local Government. The Western Australia State Government has motivated reform on the following basis:

- sector stagnation;
- critical capacity issues;
- community, industry and government benefits;
- increased funding and partnership opportunities

(LG Reform SC, 2010a: 14-23).

The necessity for reform is motivated on the basis of sector stagnation. While there have been significant and accelerating changes in the demography and economy over the last one hundred years, with consequent changes in the roles and demands placed on local government, there has been little change in many of Western Australia's one hundred and thirty nine local governments (LG Reform SC, 2010a: 14). Many local governments still have the same historical structures and

boundaries (LG Reform SC, 2010a: 14). Western Australia is the only state where there has been no structural reform in recent years (Australian Government, 2010: 40).

Local government capacity is recognised as a critical issue affecting the ‘sector’s ability to service communities over the long term’ (LG Reform SC, 2010a: 5, 8). The fact that twenty eight percent of local governments are considered financially unsustainable because of their dependence on grants for over forty percent of their re-current revenue is presented as evidence of the lack of capacity in local government (LG Reform SC, 2010a: 14). The Department of Local Government’s capability assessments, where many of local governments were found to undertake limited or no long term financial planning, limited or no asset maintenance and renewal planning and limited or no long term strategic planning, is also presented as evidence. On the basis of these capability assessments local governments were grouped into three categories, with group one being the most capacitated and group three the least. Thirty local governments were placed in category one, forty eight in category two and sixty-one in category three. Nedlands local government was identified as a category two municipality and as such was seen to require ‘structural reform...to enhance organisational and financial capacity’ (LG Reform SC, 2010a: 21). Other capacity constraints identified included local government’s inability to attract and retain skilled staff, the skill and competency of some councillors and staff and the fragmented, inconsistent approaches to planning and business processes of local government (LG Reform SC, 2010a: 16).

The Local Government Reform Steering Committee (2010a: 14-16) proposed that a reformed, larger, more capacitated and strategically focused local government, could deliver considerable and sustained benefits to the community, government and industry. These benefits included the delivery of improved services, greater support for economic development and a reduction in bureaucracy. Through the attraction and retention of more professional staff, efficiency gains, economies of scale and a greater ability to partner with government and business, it is proposed that a wider range of improved services could be delivered to communities. Industry is

constrained by local governments that have limited capacity to keep pace with the demands of development. A more capacitated local government could support greater economic development and so enable increased job opportunities and an increase in local government revenue. Further, in order to overcome capacity constraints and as an alternative to structural reform, many local governments are participants in regional bodies. It is suggested that these bodies increase system complexity through fragmenting, overlapping and duplicating functions. It is proposed that reducing the 'layers of local government bureaucracy and unifying and streamlining systems' could benefit the community, government and industry through reduction in costs, an increase in efficiencies and reduction in bureaucracy (LG Reform SC, 2010a: 14-16).

Western Australian local governments lose out on State and Commonwealth funding because of their capacity limitations and their small populations (LG Reform SC, 2010a: 14-16). It is proposed that reformed local governments would attract increased funding and partnership opportunities. Many Western Australian local governments are not eligible for Commonwealth grants as many of the grants require a population of more than thirty thousand and only twenty one of Western Australia's one hundred and thirty nine local governments have a population greater than this. Furthermore, larger, more capacitated and strategically focused local governments could advocate and lobby their interests more effectively and could be stronger partners with State, Commonwealth governments and industry. State and Commonwealth governments could also benefit through a reduction in administrative requirements, from dealing with fewer, more professional local governments with capacity to partner on complex projects (LG Reform SC, 2010a: 15).

1.2.2 Local Government Reform - Vision

In February 2009 in a response to these dynamics the Minister for Local Government announced the Western Australia State Government's programme for local government reform (LG Reform SC, 2010a: 18). The State's vision for local government reform is to 'build strong and sustainable structures of local

government’ with the ‘capacity to operate at best practice levels and to deliver optimal services to communities...into the next 100 years’ (LG Reform SC, 2010a: 5). The strategies proposed to achieve this included structural reform and capacity building (LG Reform SC, 2010a: 13, 5). In terms of structural reform it is proposed that local governments voluntarily amalgamate with neighbouring local governments or formalise regional groupings and reduce their number of councillors (LG Reform SC, 2010a: 18). The local government capacity building programme aims to deliver:

- long term strategic planning, long term financial management, asset management and workforce planning across local governments;
- greater ability of local government to attract and retain skilled staff;
- enhanced skills and competency of elected members and staff;
- options to reduce town planning and building licence approval time;
- greater community representation and strengthened local community identity;
- greater encouragement of a diverse range of citizens to stand for council;
- legislative amendments to facilitate local government sustainability (LG Reform SC, 2010a: 1).

The Western Australia Local Government Association also identified the need for local government reform: ‘in the absence of change...the current capability of local government as a sector to deliver on current community expectations is in serious doubt’ (WALGA, 2008: 14). Whilst Western Australia Local Government Association and the Western Australian Department of Local government agree on some of the key issues impacting on local government - such as asset management, the generation and management of revenue, the delivery of services and securing human resources - their proposed strategies to achieve change have some differences (WALGA, 2008: 14). A major difference is Western Australia Local Government Association’s emphasis on functional rather than structural change. Western Australia Local Government Association emphasises maintaining existing local government governance relationships whilst utilizing regional platforms for the delivery of services. While not discounting structural change or mergers, Western

Australia Local Government Association is sceptical about the efficacy of this strategy. ‘Amalgamation of local governments without existing capability...offers slim prospects for improvement’, but note that ‘regional service delivery will be the vehicle for closer working relationships between local governments which in turn may provide the catalyst for structural change over time’ (WALGA, 2008: 16).

1.2.3 Local Government Reform – Support and Progress

In February 2009 the Western Australia Department of Local Government set up a Local Government Reform Steering Committee to oversee and co-ordinate local government reform and thereafter, on the basis of this Committee’s report in May 2010, a Local Government Reform Implementation Committee was established to execute recommendations arising from the report (LG Minister, 2010f: 1; LG Reform SC, 2010a: 18). Between February 2009 and April 2011 eighteen media statements were released and twenty nine communications were addressed to local governments in the form of Steering Committee Bulletins, Reform Bulletins, Departmental Circulars and Ministerial Circulars. These documents are found on the Western Australia Department of Local Government’s website and are listed in Annexure A. Whilst a key focus of these documents was communicating the process of local government reform, they also communicate the purpose, vision, potential impacts and support available for local government reform. Some of the support from the Department of Local Government included the publication of guideline documents such as the Structural Reform Guidelines, Options for Maintaining Community Representation and Local Identity, Integrated Planning and Reporting Framework and a Human Resource Change Management Plan (LG Minister 2010l: 1; LG Reform SC, 2009a: 1; LG Reform SC, 2009c: 1; LG Reform SC, 2009f: 1; LG Minister, 2010o: 1).

In the May 2010 the Local Government Reform Steering Committee report outlined progress and recommendations for the advancement of Western Australia local government reform (LG Reform SC, 2010a: 3-5). The report recognises that the response to the call for voluntary reform had ‘not been sufficient to achieve the scope or scale of structural reform required’ and that there was a level of ‘resistance

within the sector to meaningful reform’ (LG Reform SC, 2010a: 3-5). The only local governments within the Perth metropolitan area to respond to the Western Australia Department of Local Government’s call for reform were Nedlands and Subiaco.

1.3 Progress with Local Government Reform at Nedlands

On 2 March 2010 the City of Nedlands Council resolved to participate in the Western Australian Government’s local government reform programme and on 4 August 2010 the Nedlands and Subiaco local governments signed a Regional Transition Agreement and formed a Regional Transition Group (Nedlands, 2010a: 2; RTG, 2010d: 1). The purpose of the Regional Transition Group is to investigate the viability and potential benefits of amalgamation. On the basis of these investigations a decision will be made to amalgamate or not. To this end a Regional Transition Group board was established to oversee the process and consultants were commissioned to complete the feasibility study (RTG, 2010a: 1). The table below summarises the Nedlands local government’s response to the Western Australian government’s call for local government reform.

Table 1: Nedlands Local Government Reform Time-line:

2 March 2010	<ul style="list-style-type: none"> • Council resolution to enter a Regional Transition Group
4 August 2010	<ul style="list-style-type: none"> • Nedlands and Subiaco sign Regional Transition Group Agreement
October 2010	<ul style="list-style-type: none"> • Consultants appointed to prepare the Regional Transition Group Business Plan
4 November 2010	<ul style="list-style-type: none"> • Nedlands and Subiaco launch Regional Transition Group website and online discussion forum
October – March 2011	<ul style="list-style-type: none"> • Separate community visioning projects undertaken by each council to ascertain if there is commonality between the values and vision of each community
April – June 2011	<ul style="list-style-type: none"> • RTG Business Plan to be completed, submitted to council for endorsement and referred to the Department of Local Government

(RTG, 2010d: 1; RTG, 2010h: 1)

1.4 Change Management and Change Readiness

In a bid to ensure successful change a number of models with steps for planned change have been proposed over the last few decades (Alas, 2007: 259; Bamford & Daniel 2005: 392; Bouckenooghe, 2010: 514; Buono & Kerber, 2010: 7; Michalenko, 2010: 279; Seijts & Roberts 2011: 190; Smith, 2005: 409; Walker *et al.*, 2007: 761). Most of these models for planned change highlight the importance of employee *readiness* as a first step toward successful change (Armenakis *et al.*, 1993: 681; Armenakis & Harris, 2002: 169; Smith, 2005: 409; Kotter, 1995: 59; Kritsonis, 2004: 2-3; Self & Schraeder, 2009: 171). Many of these authors also emphasise the important role of communication in the development of employee readiness (Armenakis *et al.*, 1993: 690; Armenakis & Harris, 2002: 169; Kotter, 1995: 63). Research into change management in the public sector also highlights the necessity of readiness for change and the important role of communication in readying employees for change (Cinite *et al.*, 2009: 274; Neves, 2009: 215, 227; Terry & Jimmieson 2003: 97-98).

1.5 Research Aims and Objectives

The Western Australia state government has initiated a process of local government reform. As part of implementing this reform the local government of Nedlands is investigating an amalgamation with the local government of Subiaco. The value of the first phase of planned change, namely *readiness for change*, where organisational members are prepared for and become supporters of change and the importance of change communication with respect to developing employee readiness has been highlighted. Whilst the local government of Nedlands is currently investigating the more operational and technical aspects of local government reform in the merger feasibility study, this research focuses on employee readiness, more intangible, but no less important.

From the perspective of change readiness, the aim of the research is to analyse the documentation that has communicated the local government reform to take place in Nedlands, and from the perspective of the Nedlands managers, to ascertain the level of readiness for the change amongst the employees of Nedlands, including their views on their personal level of readiness as managers. The supporting objectives are to:

- assess the readiness of the Nedlands employees for local government reform;
- analyse the change readiness content of the Nedlands local government reform communication;
- make recommendations to enhance employee readiness for local government reform and to enhance readiness for change communication at Nedlands local government.

1.6 Study Outline

In a bid to address the aims and objectives of this study, chapter two reviews the change management literature and in particular focuses on change readiness. Chapter three describes the methodology utilised to undertake the study. Chapter four integrates the results of the study with a discussion of these results in the light of the literature and on this basis draws out management recommendations. Chapter five concludes the study and outlines recommendations for further study.

CHAPTER 2: LITERATURE REVIEW

2.2 Introduction

The background to local government reform in Western Australia, an overview of local government reform at Nedlands local government and the aims and objectives of this study were presented in Chapter One. This Chapter provides an overview of the literature and forms the theoretical base of this study.

In section two of this chapter, consideration is given to various aspects of organisational change: the recognition that organisations in the twenty first century need to adapt to enormous social, political, economic and technological change; the difficulty of successfully implementing organisational change; and the identification of factors which impact on the success of change efforts. In pursuing organisational change researchers have developed planned phased models for change implementation. These models highlight the value of *change readiness* as a first phase in the change process and will be outlined in section three. Section four focuses on change readiness. A definition is provided, factors impacting on employee readiness are identified, the importance of the change message in facilitating change readiness is emphasized and the crucial role of managers is outlined. The final section focuses on the unique features of the public sector and how these impact on organisational change in this sector.

2.2 Organisational Change

2.2.1 Change, Change and More Change

In the 1940's Lewin (1947, cited in Kippenberger, 1998: 10) highlighted the inevitability of change for organizations. 'Life within any group of people... is never without change, all that differs is the amount and type of change' (Lewin, 1947, cited in Kippenberger, 1998: 10). Today organisations not only have to deal with people dynamics, but they also need to adapt to the challenges of the fast changing competitive, economic, technological and social environment (Buono & Kerber, 2010: 4; Hagan, 1996: 147). Because of increasingly dynamic environments, Armenakis *et al.* (1993: 681) maintains that 'organizations are

continually confronted with the need to implement changes in strategy, structure, process and culture'. Hagan (1996: 148) believes that organizations will not only need to reinvent and reengineer the way they operate in response to the changing environment, but will also need to develop capabilities of 'continuous, transformational learning'. Ulrich (1998: 127) concurs and proposes that in our times of 'change, change, and more change' successful organizations 'will need to be in a never-ending state of transformation'.

2.2.2 Successful Organisational Change

While the future success of organizations rests on their ability to adapt to change, the difficulty of achieving success with organisational change initiatives are well documented (Lyons *et al.*, 2009: 459). Research suggests that about seventy percent of change programmes fail (Judge & Douglas, 2009: 635; Kotter, 1995: 59; Lyons *et al.*, 2009: 460; Self & Schraeder, 2009: 168; Todnem, 2007: 3). This statistic is reiterated in a 2008 McKinsy global business study where 'only one third of organisational change initiatives were viewed as successful by their leaders' (Buono & Kerber, 2010: 4).

The success of organisational change should not only be measured in terms of whether the change has achieved its practical purpose, but also in terms of its impact on employees (Bamford & Daniel, 2005: 391; Michalenko, 2010: 285; Seijts & Roberts, 2011: 191; Self & Schraeder, 2009: 168). Consideration should be given to whether it has been positive or has led to detrimental impacts such as lowered employee morale, diminished commitment, increased cynicism, de-motivation, with resultant increases in absenteeism, turnover, reductions in efficiencies, lower level performance and reduction in the perceptions of the organisations as caring, trustworthy and honest (Bamford & Daniel, 2005: 391; Michalenko, 2010: 285; Seijts & Roberts, 2011: 191; Self & Schraeder, 2009: 168).

A number of factors impact on the success of change efforts. These factors include the *content* or *nature* of change, the *context* of change, the *process* of change and the *individual differences* of the people involved (Alas, 2007: 256-257; Bouckenooghe,

2010: 507-509; Lyons *et al.*, 2009: 461; Walker *et al.*, 2007: 761). *Change agents* need to be cognisant of these aspects when preparing for and implementing organisational change (Holt *et al.*, 2007: 761; Bouckenooghe, 2010: 507-509).

Two interrelated issues need to be considered with respect to the content or nature of change (Bouckenooghe, 2010: 507-509; Walker *et al.*, 2007: 762). The first is the significance of the change: is the change *fundamental*? Does it impact on the core make-up of the organisation? Or are the changes smaller scale changes that move the organization incrementally towards its ideal? (Walker *et al.*, 2007: 762) Struckman and Yammarino (2003: 12, 15) speak of *core* versus *peripheral* change. Other terms for these dichotomies, include *first order* and *second order* change, *continuous* and *discontinuous* change and *piecemeal* and *quantum* change (Struckman & Yammarino, 2003: 12; Walker *et al.*, 2007: 762). The second issue relates to the time scale of the change: is the change *episodic*, *discontinuous* and *intermittent*? Or is the change *emergent*, *continuous* and *evolving* (Bouckenooghe, 2010: 507-509; Walker *et al.*, 2007: 762)? Struckman & Yammarino (2003: 15) simply describe this time aspect as either being *short term* or *long term*.

The content of change reflects on the change itself, whilst the process of change reflects on the actions of and how the change agents prepare for and implement the proposed change (Lyons *et al.* 2009: 461; Walker *et al.*, 2007: 762). There are two main process approaches to change which relate to the content of change. The first, incremental and emergent change and the second is episodic and discontinuous. Incremental, emergent change is evolving and ongoing and the change process has been described as ‘a bundle of incremental adjustments’ (Bouckenooghe, 2010: 507-509). The emergent change school recognises the evolutionary and complex nature of organisations, with the process of change described as a ‘messy activity’ that cannot be planned and implemented in a uniform and ‘top down’ way (Higgs & Rowland, 2005: 125). Buono and Kerber (2010: 7-8) describe the process of dealing with incremental, emergent change as ‘guided change’, an iterative, experimental process, with loosely defined direction and which is collaborative in nature.

Fundamental, episodic, planned change, on the other hand, refers to deliberate action that is taken to change an organization or an organisational unit (Bouckenooghe, 2010: 507). In line with this action oriented approach, a number of change models with steps for implementation have been developed over time (Bouckenooghe, 2010: 507). The preparation of employees for the proposed change is an important part of the planned change process (Walker *et al.*, 2007: 762).

Both approaches have advantages and disadvantages and are appropriate under different circumstances (Buono & Kerber 2010: 8). Two key factors which impact on their appropriateness are business complexity and socio-technical uncertainty. Examples of business complexity include changes that cut across hierarchical levels and work units, changes that impact on a range of products and services or changes requiring buy-in from a range of internal and external stakeholders. Socio-technical uncertainty refers to the extent to which the socio-technical solution to the change challenge is known (Buono & Kerber 2010: 9). It is suggested that changes with greater business complexity are more suited to 'planned change', whilst those with greater socio technical uncertainty are more suited to 'guided change' (Buono & Kerber 2010: 9).

A third factor impacting on the success of change efforts is the context (Walker *et al.*, 2007: 761). Context refers to the circumstances under which the change is being made and consists of external environmental factors, such as changing governmental policy and legislation, political dynamics, technology changes, global economic conditions and internal environmental factors such as internal knowledge, resources, attitudes and culture (Lyons *et al.*, 2009: 461; Walker *et al.*, 2007: 763). The context also includes the organisation's change history, with prior unsuccessful organisational change attempts possibly leading to cynicism about new proposed changes or conversely positive experiences creating greater openness to new proposed change efforts (Walker *et al.*, 2007: 761).

The final factor identified as critical to successful change is that of the individual characteristics of the employees of an organisation (Lyons *et al.*, 2009: 461; Walker

et al., 2007: 763). Organisations consist of individuals with unique personalities, dispositions, idiosyncrasies and psychological responses to change and ‘during organisational change efforts, these individual differences may influence reactions to change and ultimately commitment to change’ (Walker *et al.*, 2007: 763).

2.3. Planned Organisational Change Management

The local government of Nedlands is investigating a merger with Subiaco. Mergers are generally recognised as very difficult and complex organisational change processes which impact on all parts of the organisation and involve an extensive range of issues (Kavanagh & Ashkanasy, 2006: 81). This proposed merger will represent a fundamental change. If the merger is implemented it is required to be completed within a set period and as such it is also episodic change. The implementation of the merger is proposed to follow a planned change process. Further consideration will now be given to models of planned organisational change.

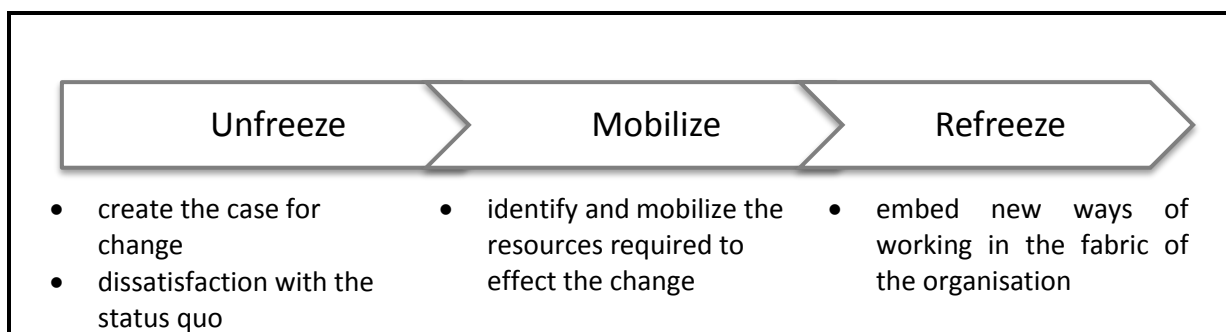
2.3.1 Lewin’s (1947) Model of Organisational Change

Kurt Lewin (1947), a psychologist and social scientist, is widely recognised as the pioneer of planned organisational change (Alas, 2007: 259; Bamford & Daniel 2005: 392; Bouckenooghe, 2010: 514; Buono & Kerber, 2010: 7; Michalenko, 2010: 279; Smith, 2005: 409). Lewin (1947, cited in Kippenberger, 1998: 11) identified *driving forces* within organizations. These included things like ambition, goals, needs and fears. He also identified *restraining* and *inhibiting* forces which oppose these driving forces and include things like skill, education and task difficulty (Lewin, 1947, cited in Kippenberger, 1998: 11). Group social habit and custom were seen as two additional forces of resistance to change within an organization (Lewin, 1947, cited in Kippenberger, 1998: 11). These opposing *force fields* determined the equilibrium reached in the pattern and processes of the organization (Lewin, 1947, cited in Kippenberger, 1998: 10).

Given the above Lewin (1947, cited in Kritsonis, 2004: 1) proposed three steps for successful organisational change. The first step was to *unfreeze* perceptions, attitudes and behaviours and disrupt the organisational equilibrium (Lewin, 1947,

cited in Kritsonis, 2004: 1). Methods proposed to unfreeze include destabilization, emotional shake up, as well as motivating, preparing, building an understanding of the need for change, building trust and importantly encouraging participation through group discussion and problem solving (Lewin, 1947, cited in Kritsonis, 2004: 2). The second step required changing behaviour and *moving* the organization or organisational sub system to a new equilibrium (Lewin, 1947 cited in Kritsonis, 2004: 2). The final step was to *refreeze* and stabilize the new equilibrium, thus ensuring that the organization does not revert back to its old equilibrium (Lewin, 1947, cited in Kritsonis, 2004: 2). An adapted model of Lewin’s three phase model of organisational change is illustrated below (Higgs & Rowland, 2005: 122).

Figure 1: Lewin’s adapted three-phase model of change



(Higgs & Rowland, 2005: 122).

2.3.2 Planned Organisational Change Models

Over recent decades a great number of planned change models have been developed, with most of these having their roots in Lewin’s (1947) three phase model (Alas, 2007: 259; Bamford & Daniel 2005: 392; Bouckenooghe, 2010: 514; Buono & Kerber, 2010: 7; Michalenko, 2010: 279; Seijts & Roberts 2011: 190; Smith, 2005: 409). These models have different emphases and include the following models of planned organisational change:

- Lippit, Watson and Westley’s (1958, cited in Kristonis, 2004: 2-3) seven step model, which was developed with a focus on the responsibilities and roles of change agents;
- Judson’s (1991, cited in Armenakis & Bedeian, 1999: 301 and Michalenko, 2010: 280) five phase model of organisational change;

- Jick's (1991, cited in Mento *et al.*, 2002: 46-47) ten steps for implementing change, a tactical level model to steer the implementation of major organisational change;
- Kotter's (1995: 59-67) eight phase model for successful organisational change;
- Armenakis *et al.*'s (1999: 101-109) three phase organisational change process, which emphasizes the importance of the change message;
- Galpin's (1996, cited in Armenakis & Bedeian, 1999: 301; Michalenko, 2010: 280) wheel of nine wedges, where an understanding of organisational culture forms the foundation for each of the wedges;
- Garvin's General Electric (2000, cited in Mento *et al.*, 2002: 46-47) seven step change acceleration process.

The table below outlines the steps or phases of these various planned organisational change models and broadly divides the various steps according to Lewin's (1947) three phase planned change process of unfreezing, moving and refreezing.

Table 2: Comparison of Planned Organisational Change Models

MODEL	PLANNED ORGANISATIONAL CHANGE PHASES		
LEWIN (1947)	UNFREEZING	MOVING	RE-FREEZING
Lippit, Watson & Westley (1958)	<ul style="list-style-type: none"> diagnose the problem assess the motivation and the capacity for change; assess the resources, motivation and commitment to change of the change agent 	<ul style="list-style-type: none"> choose progressive change objects, develop strategies and action plans; select the role of the change agent and ensure that the role is clearly understood by all parties (examples of roles: cheerleader, facilitator and expert); 	<ul style="list-style-type: none"> maintain the change, ensure communication, feedback and group co-ordination; gradually terminate from the helping relationship, as the change becomes part of the organisational culture
Judson (1991)	<ul style="list-style-type: none"> analysing and planning the change communicating the change 	<ul style="list-style-type: none"> gaining acceptance of new behaviours changing from the status quo to a desired state 	<ul style="list-style-type: none"> consolidating and institutionalizing the new state
Jick (1991)	<ul style="list-style-type: none"> analyze the organization and its need for change create a shared vision and common direction separate from the past create a sense of urgency 	<ul style="list-style-type: none"> support a strong leaders role line up political sponsorship craft an implementation plan develop enabling structures communicate, involve people and be honest 	<ul style="list-style-type: none"> reinforce and institutionalize the change
Kotter (1995)	<ul style="list-style-type: none"> establishing a sense of urgency forming a powerful guiding coalition to lead the change effort creating a vision to help direct change communicating the vision 	<ul style="list-style-type: none"> empowering others to act on the vision planning for and creating short-term wins 	<ul style="list-style-type: none"> consolidating improvements and producing still more change institutionalising new approaches
Armenakis et al. (1999)	<ul style="list-style-type: none"> readiness 	<ul style="list-style-type: none"> adoption 	<ul style="list-style-type: none"> institutionalization
Galpin (1996)	<ul style="list-style-type: none"> establishing the need to change developing and disseminating a vision of planned change diagnosing and analysing the current situation 	<ul style="list-style-type: none"> generating recommendations detailing the recommendations pilot testing the recommendations preparing the recommendations for roll-out rolling out the recommendations 	<ul style="list-style-type: none"> measuring, reinforcing and refining the change
Garvin / GE (2000)	<ul style="list-style-type: none"> leader behaviour creating a shared need shaping a vision mobilizing commitment 	<ul style="list-style-type: none"> mobilizing commitment making change last 	<ul style="list-style-type: none"> creating shared need shaping a vision

(Alas, 2007: 259; Armenakis & Bedeian, 1999: 301; Armenakis & Harris, 2002: 169; Banford & Daniel 2005: 402; Bouckenooghe, 2010: 514; Kippenberger, 1998: 10; Kritsonis, 2004: 1-3; Mento *et al.*, 2002: 46-47; Michalenko, 2010: 280; Smith, 2005: 409; Walker *et al.*, 2007: 761).

Whilst the broad framework of Lewin's (1947) model remains applicable, the notion of refreezing is now considered redundant (Smith, 2005: 409). Most of the more recent models of planned change recognise the continuous or cyclical nature of change. Kotter's (1995: 61) model, for example, refers to 'consolidating improvements and producing still more change' and Armenakis *et al.* (1999) likens the change process to a Mobius strip where change phases overlap, are continuous and where 'institutionalized changes themselves become the focus of future change efforts' (Armenakis & Harris, 2002: 169).

2.3.3 Individual Responses to Organisational Change

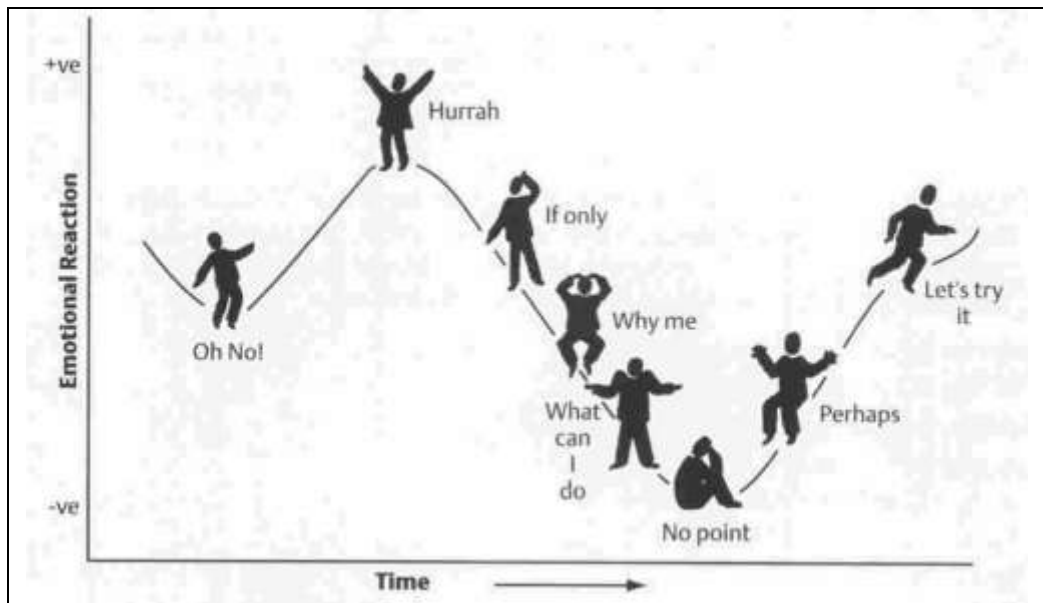
The planned models of organisational change, described above, generally refer to actions that change agents can take during the introduction and implementation of a change (Walker *et al.*, 2007: 762). The individuals who are impacted on by the change, the *change targets*, experience a range of responses to organisational changes and models have been developed to explain these responses (Armenakis & Bedeian, 1999: 302-303; Burns, 1993: 21; Kritsonis, 2004: 3). Some of these models include Isabella's four phase model (1990, cited in Armenakis & Bedeian, 1999: 303), Prochaska and DiClemente's five stages of change (1992, cited in Kritsonis, 2004: 2), Burns' transition curve (1993:21), and Jaffe *et al.*'s, four stage model (1994, cited in Armenakis & Bedeian, 1999: 302-303).

Isabella (1990, cited in Armenakis & Bedeian, 1999: 303) has developed a four phase model to explain how individuals, change targets, interpret change as it unfolds. The four phases are: *anticipation*, *confirmation*, *culmination* and *aftermath*. During the anticipation phase individuals glean information from various sources, including rumours and information to imagine the future change. In the confirmation phase the constructed or imagined reality is checked against a 'conventional frame of reference'. In culmination individuals compare conditions before and after the change and adjust their frame of reference to include new information. Finally, in the aftermath phase individuals review and evaluate the consequences of change (Isabella, 1990, cited in Armenakis & Bedeian, 1999: 303).

Prochaska and DiClemente (1992, cited in Kritsonis, 2004: 2) proposed a five stage cyclical process of change. Also known as the Trans-Theoretical Model (TTM), this model was originally developed in a therapeutic context in order to understand and provide appropriate support for patients trying to change health related problem behaviours, such as smoking and drug abuse (1992, cited in Harris & Cole, 2007: 776; Kritsonis, 2004: 3; Napper *et al.*, 2008: 363). More recently the model has been utilized in organisational change contexts, including readiness for change (Harris & Cole, 2007: 776). Prochaska and DiClemente (1992, cited in Kritsonis, 2004: 3) identified five stages that people pass through in a change process, namely *pre-contemplation*, *contemplation*, *preparation*, *action* and *maintenance*. In pre-contemplation, the first stage, there is no awareness of the need for change and no intention to change. In contemplation there is a consideration of the advantages and disadvantages of change and an awareness of the need to change, but no action has yet been taken. Once a decision is made to take action the preparation begins. In the fourth stage, action, specific steps are taken to change. During the final stage, the focus is on embedding change and avoiding relapse to pre-change behaviours (Prochaska & DiClemente, 1992, cited in Harris & Cole, 2007: 777; Napper *et al.*, 2008: 362). Prochaska and DiClemente (1992, cited in Kritsonis, 2004: 3) describe their model of change as cyclical, with change initiators sometimes regressing to an earlier stage and then moving forward again and so potentially cycling backwards and forwards through the change stages.

Burns (1993: 21) describes a transition curve of positive and negative emotional response to change, which starts with *oh no!* and potentially moves through to *let's try it*. Burns' (1993: 21) transition curve is illustrated in Figure 2, below.

Figure 2: Burns' Transition Curve

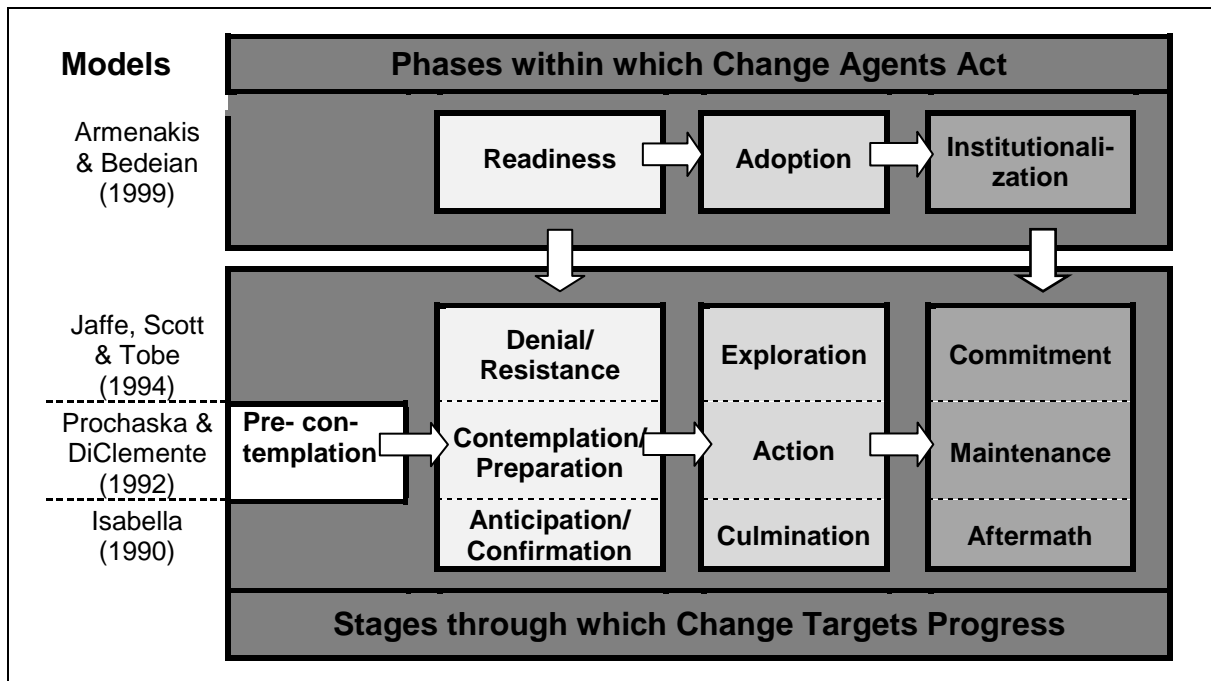


(Burns, 1993: 21)

Jaffe *et al.*'s (1994, cited in Armenakis & Bedeian, 1999: 303) four phase model has similarities to Burns' (1993) model. The four phases are labelled *denial*, *resistance*, *exploration* and *commitment*. During the denial phase individuals do not believe that the change will take place or is necessary. In the resistance phase, employees hold back from participating. During exploration individuals test and experiment with new behaviours and in the commitment phase change is embraced (Jaffe *et al.*, 1994, cited in Armenakis & Bedeian, 1999: 303).

These models are useful for change agents as they identify possible reactions of the change targets to the change and with these insights the change agents can then devise and implement appropriate strategies. Armenakis and Bedeian (1999: 304) integrate their model of planned change with the model of Isabella (1990) and Jaffe, Scott and Tobe's (1994) models' (Armenakis & Bedeian 1999: 304). Prochaska and DiClemente (1992) model can also be incorporated and is illustrated below in Figure 3.

Figure 3: Change Agent Phases and Change Target Phases



(Adapted from Armenakis & Bedeian, 1999: 305 and Kritsonis, 2004: 3)

All the models of planned organisational change mentioned above and illustrated in Table 1, emphasize the importance of the notion of *readiness* as a first step for successful change. This concept is seen in Lewin's (1947, cited in Armenakis *et al.*, 1993: 681; Smith, 2005: 409) 'unfreezing', breaking with the status quo and recognising the need for change. In Lippitt, Watson & Wetley's (1958, cited in Kritsonis, 2004: 2-3) 'assess the motivation and the capacity for change'. In Kotter's model (1995: 59) it is evident in the steps to establish a sense of urgency and create a vision to help direct change. In Armenakis *et al.*'s (1999: 101-109) model it is seen in the readiness phase, where organisational members prepare themselves for and become supporters of change (Armenakis & Harris, 2002: 169; Self & Schraeder, 2009: 171). Readiness is also apparent in Isabella's (1990) anticipation and confirmation phases and in Prochaska and DiClemente's (1992, cited in Kritsonis, 2004: 2) contemplation and preparation phase. The concept of *readiness for change* will be further explored in the following section.

2.7 Readiness for Change

Readiness for change is widely acknowledged as a critical factor in successful organisational change (Alas, 2007: 257; Armenakis *et al.*, 1993: 681; Lyons *et al.*, 2009: 459, 461; Smith, 2005: 408; Todnem 2007: 6). Self and Schraeder (2009: 171) believe the ‘first step in the process of implementing a change initiative is creating readiness for the change’. Alas (2007: 257) identifies change readiness as a crucial factor. Smith (2005: 408) echoes this sentiment, writing that ‘if organisational change is to take hold and succeed then organisations and the people who work for them must be readied for such transformation’. Smith (2005: 408) further believes that a benefit of investing in readiness is that resistance to change may be avoided.

The findings of Todnem’s study (2007: 6) regarding change readiness in the UK tourism sector, supports the view that there is a positive correlation ‘between the level of change readiness and the successful implementation...of change’. Todnem (2007: 6) even goes as far as to suggest that ‘if an organization is not change ready, failure could be perceived as the only predictable outcome of any change initiative’. In a study on change readiness in the US Military, Lyons *et al.* (2009: 459, 461) found that change readiness was ‘significantly related to higher intentions to engage in the change initiative’.

2.4.1 Readiness for Change – an Attitude

Bouckenooghe (2010: 501) identifies readiness for change as an attitude toward change. Hellriegel, Slocum & Woodman (2001, as cited in Bouckenooghe, 2010: 520) describe attitudes as ‘relatively lasting feelings, beliefs, and behavioural tendencies directed toward specific people, groups, ideas, issues, or objects’. This description highlights three components of an attitude - cognitive, affective and intentional/behavioural (Bouckenooghe 2010: 501). An individual’s feelings about the change reflect the affective aspect (Bouckenooghe 2010: 501). The views an individual has about the necessity, usefulness, advantages, disadvantages of the change and the expertise required to deal with the change are the cognitive aspect (Bouckenooghe 2010: 501). The actions taken or those actions that will be taken in

relation to the change, both supportive and adverse actions, form the intentional/behavioural component of an attitude (Bouckenooghe 2010: 501). As a human phenomenon, an organisation cannot be said to have an attitude (Alas, 2007: 256; Bouckenooghe, 2010: 501). Nevertheless one can reflect on the extent to which members of a group or an organisational unit or an organisation share an attitude. Further, organisational change can only occur when the majority of individuals change their attitude and their behaviour (Alas, 2007: 256; Bouckenooghe, 2010: 501).

Bouckenooghe (2010: 501) highlights a number of positive and negative attitudes toward change in the organisational change literature, including resistance to change, cynicism about change, commitment to change, openness to change, acceptance of change, coping with change, adjustment to change and readiness for change.

2.4.2 Readiness for Change and Resistance to Change

Bouckenooghe (2010: 502) notes that the two most frequently researched attitudes to change are *readiness* for change and *resistance* to change. One of the seminal studies on resistance to change was Coch and French's study (1948, cited in Bouckenooghe, 2010: 503; Holt *et al.*, 2007: 291; Peccei *et al.*, 2011: 185), entitled 'overcoming resistance to change', which investigated why organisational members resist change and what can be done to overcome such resistance. Whilst there is general consensus on the definition for readiness for change, there are a number of definitions for the concept of resistance to change. The one commonality identified in the fourteen definitions reviewed by Bouckenooghe (2010: 503) was the 'intentional/ behavioural component as a driving force behind maintaining the status quo, and hindering successful implementation of change'. Another aspect of resistance to change is its intensity, ranging from 'subtle acts of non-cooperation to industrial sabotage' (Bouckenooghe, 2010: 504).

Resistance to change and readiness for change are not simply opposites. Readiness for change is much more than the absence of resistance. It also comprises a positive

view about the necessity for organisational change (Holt *et al.*, 2007: 292; Todnem, 2007: 4). Resistance to change focuses on the negative, the problems that needs to be overcome, whilst readiness for change focuses on the positive, 'identifying factors that enable, motivate and facilitate people's...readiness for change' (Bouckenooghe, 2010: 508). This positive view is aligned with 'appreciative enquiry' where the focus is on what is right and positive about the organisation rather than focusing only on the problems (Bouckenooghe, 2010: 509; Michalenko, 2009: 281). This positive view emphasises the role of the change agent as a coach and champion for change, rather than a monitor who only responds to signs of resistance (Jansen, 2000: 53).

2.4.3 Definition of Readiness for Change

Armenakis *et al.*'s (1993) definition of *readiness for change* is one of the most cited in the change management literature (Bouckenooghe, 2010: 503). This definition reflects the affective, cognitive and behavioural aspects which constitute an attitude (Bouckenooghe, 2010: 503). Armenakis *et al.* (1993: 681) defines readiness as '...organisational members' beliefs, attitudes and intentions regarding the extent to which changes are needed and the organization's capacity to successfully make those changes'. Jones *et al.* (2005, as cited in Todnem, 2007: 4) expands on Armenakis's (1993) definition and emphasizes a positive perspective. He defines change readiness as 'the extent to which employees hold positive views about the need for organisational change, as well as the extent to which employees believe that such changes are likely to have positive implications for themselves and the wider organization'. Holt *et al.* (2007: 290, 326) reviewed change readiness literature and on the basis of this review developed a definition of readiness for change. This definition adds to those noted above and incorporates factors that influence readiness for change:

readiness for change is a comprehensive attitude that is influenced simultaneously by the content (i.e. what is being changed), the process (i.e. how the change is being implemented), the context (i.e. circumstances under which the change is occurring), and the individuals (i.e. characteristics of those being asked to change) involved; and collectively reflects the extent to

which an individual or a collection of individuals is cognitively and emotionally inclined to accept, embrace and adopt a particular plan to purposefully alter the status quo (Holt *et al.*, 2007: 290, 326)

The concepts of *discrepancy*, *appropriateness*, *efficacy* and *valence* can be identified in the above definitions and can be seen as dimensions of individual readiness for change (Armenakis *et al.*, 1993: 684-686; Armenakis & Harris, 2002: 170-171; Walker *et al.*, 2007: 763). Whilst not explicit in the definition, *principal support* is often seen as another dimension of individual readiness for change (Armenakis *et al.*, 1993: 684-686; Armenakis & Harris, 2002: 170-171; Walker *et al.*, 2007: 763). A brief overview of these concepts is provided below.

In terms of *discrepancy*, in order to be ready to support change, ‘to hold positive views about the need for organisational change’, employees need to understand the difference between the organisation’s current state and the organisation’s proposed change state and the reasons for the change. They also need to believe that the proposed change is necessary (Armenakis *et al.*, 1993: 684; Armenakis & Harris, 2002: 170; Neves, 2009: 217; Self, 2007: 12; Todnem 2007: 4; Walker *et al.*, 2007: 763). Employees need to perceive compelling reasons for the proposed change (Bouckenooghe *et al.*, 2009: 559; Chreim, 2006: 316). Smith (2005: 409) notes that employees need to ‘perceive and accept the need for change’ and emphasises the importance of implementing strategies to create ‘dissatisfaction with the present state of things and a concomitant desire for, and shared vision of, where and how the organisation needs to change’.

Appropriateness follows on from discrepancy. Not only do employees need to accept that the change is necessary, but they also need to understand and believe that the specific selected change strategy is the appropriate solution to the identified discrepancy (Armenakis *et al.*, 1993: 684; Armenakis & Harris, 2002: 170; Chreim 2006: 317; Neves, 2009: 217; Self, 2007: 12; Walker *et al.*, 2007: 763). Employees should thus ‘hold positive views about the need for organisational change’ (Todnem 2007: 4). The change leader needs to motivate and demonstrate why the ‘proposed

change is the right solution for eliminating the gap between the current and ideal state' (Self, 2007: 12).

The concept of *principal support* reflects the employees need to know that both internal and external leaders fully support the proposed change (Armenakis *et al.*, 1993: 684; Armenakis & Harris, 2002: 170). Support for the change should not only be seen from the formal leaders, but informal leaders should also show support for the change (Self, 2007: 12).

Efficacy refers to the confidence that employees have in the ability of the organisation to successfully change and the confidence that they personally have the skills and ability to successfully change (Armenakis *et al.*, 1993: 684; Armenakis & Harris, 2002: 170; Chreim 2006: 317; Neves, 2009: 217; Walker *et al.*, 2007: 763). The findings, of Cunningham *et al* (2002: 360) in the health sector suggests that 'building problem-solving strategies and enhancing workers perceptions of their ability to cope with change' may increase employees commitment to organisational change and decrease the stress of the change. Smith (2005: 410) agrees stating that in preparing employees for organisational change, change agents need to build employees confidence and help them to see their role in the changes. Chreim (2006: 317) concurs and advocates for the participation of employees in decisions about change, noting that employees will accept change when they have a sense of ownership of and control over the change.

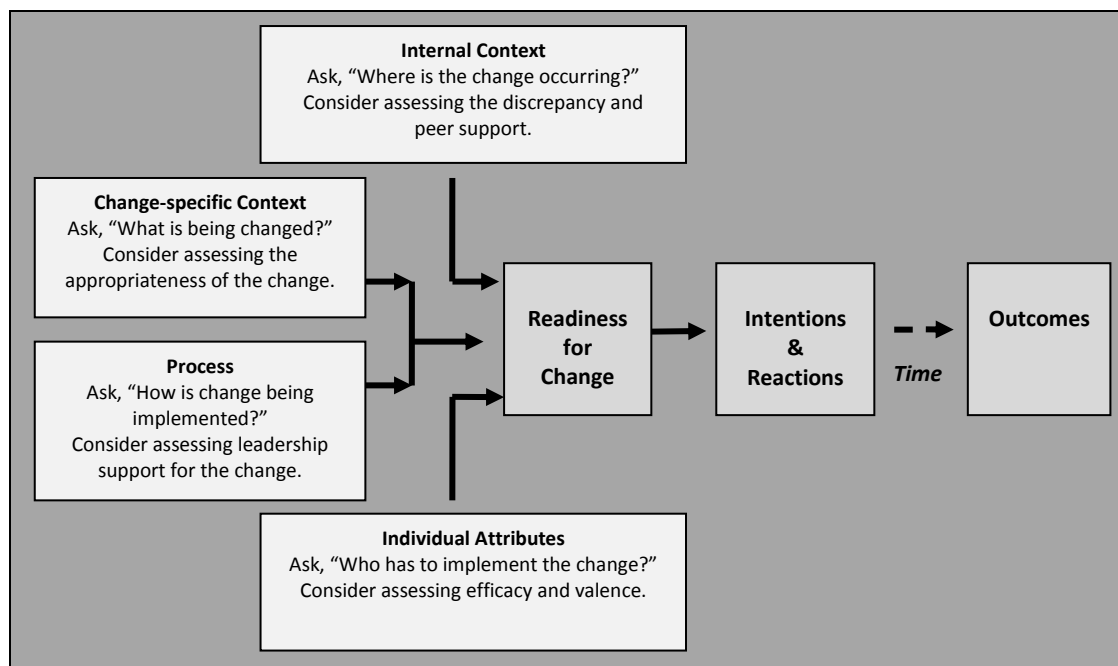
Valence asks the question 'what's in it for me' or 'the extent to which employees believe that such changes are likely to have positive implications for themselves and the wider organization' (Armenakis *et.al.* 1999: 103; Todnem, 2007: 4). Terry and Jimmieson (2003: 92) claim that the psychological state of uncertainty is one of the most frequent employee responses to organisational change and that employees see organisational change as threatening to their job security, careers, financial well-being and unseen benefits such as their sense of community, prestige and power at work. Lindblom (1994, cited in Trader-Leigh, 2002: 140), in research on change in public sector institutions, notes that 'change initiation is a kind of warfare...change

ordinarily benefits some people by injuring others, particularly where change is feared and members of the organisation are not made to see its possibilities'. Employees need to know that their personal valence will be addressed, that they will be treated fairly and that there will be personal benefits to implementing the change, for example that they will have job security, that there will be opportunities for promotion, pay increases and training (Armenakis *et al.*, 1993: 684; Armenakis & Harris, 2002: 170; Chreim, 2006: 317; Neves, 2009: 217; Self, 2007: 12; Walker *et al.*, 2007: 763).

2.4.4 Factors Influencing Readiness for Change

Holt *et al.*'s (2007: 326) definition identifies influences on readiness for change, namely change content, process, context and the individuals involved. These concepts have been discussed previously. Holt *et al.* (2007: 297) represents this relationship in an 'integrated model of readiness for change'. This model is illustrated below.

Figure 4: An Integrated Model of Readiness for Change



(Holt *et al.*, 2007: 297)

Most factors impacting on readiness for change identified by researchers fit into the broad categories of influence identified by Holt *et al.* (2007: 297). Self and

Schraeder (2009: 169) acknowledge Holt *et al.*'s model and reflect on the four dimensions of content, process, context and the individual in their research. Bouckenooghe *et al.* (2009: 560) investigated the internal climate of change (the context of change) and the process of change as enablers for readiness for change. Oakland and Tanner (2007: 15-16) emphasise the importance of organisational leadership (context) and planning (process). Struckman and Yammarino (2003: 20) developed a list of readiness factors related to management behaviour (context), which included leadership, management, performance management, and communication intention, which impact on the development of readiness for change. Lyons *et al.* (2009: 470) also highlights the importance of leadership. Neves (2009: 218) highlighted the impact of the type (content) of change for change readiness. Cunningham *et al.* (2002: 389-390) undertook readiness for change research in healthcare organisations and proposed that 'active involvement in organisational change, reducing barriers to participation, building problem solving strategies and enhancing workers' perceptions of their ability to cope with change' were key (context). Armenakis *et al.* (1993: 684-686) focused on individuals' beliefs with respect to discrepancy, appropriateness, efficacy, personal valence and principal support (Armenakis & Harris, 2002: 170-171; Walker *et al.*, 2007:763). Aspects of these concepts were recognised within the four broad categories of influence (Holt *et al.*, 2007: 297). Holt *et al.*'s model (2007: 297) highlights the uniqueness of individual organisations' content, context, process of change and the individuals, all of which impact on the development of readiness for change.

It is widely agreed that communication is one of the key ways to influence readiness for change. This topic will now be considered.

2.4.5 Communicating for Change Readiness

Armenakis *et al.* (1993: 684) proposes that the primary way to create readiness for change among employees is through the message for change. Kotter and Schlesinger (1979: 109) see education and communication as a way in which managers can positively influence individuals and groups during change. Struckman and Yammarino (2003: 27) also identify communication as a key factor which

management can use to ready the organization for change. Open and honest communication, early in the change process, is regarded by many researchers as essential in the preparation of employees for change (Chawla & Kelloway, 2004: 487; Mento *et al.*, 2002: 55; Michalenko, 2010: 285; Smith, 2005: 410; Walker *et al.* 2007: 763). Azzone and Parlermo (2011: 92) describe communication as ‘a powerful lever to gain commitment and build consensus for the planned change’ and argue that ‘the success and sustainability of change efforts depend on how effectively the strategy for and the substance of change is communicated to those who are the targets of change’.

Through communication change agents attempt to ‘influence beliefs, attitudes, intentions and ultimately the behaviour of the change target’ (Walker *et al.*, 2007: 763). Daft’s (1997, as cited in Azzone & Parlermo, 2011: 92) definition of communication incorporates these aspects: ‘the process by which information is exchanged and understood by two or more people, usually with the intent to motivate or influence behaviour’. Change communication should outline a vision for the future and engender enthusiasm and confidence, rather than anxiety and fear (Smith 2005: 410). Struckman and Yammarino (2003: 27) agree but also emphasise the important role of communication in explaining the change and showing management’s commitment to the change.

Change communication needs to address the five critical areas for change readiness outlined above, namely discrepancy, appropriateness, principal support, efficacy, and valence (Armenakis *et al.*, 1993: 684-686; Armenakis & Harris, 2002: 170-171; Walker *et al.*, 2007: 763). Walker *et al.* (2007: 763) believes this is vital, suggesting that the ‘ability of the management team to address these five message components is influential in the change target’s ultimate commitment to the change’.

Armenakis *et al.* (1993: 687) identified three strategies to convey the change message: persuasive/direct communication, active participation and the management of internal and external information. Through persuasive/ direct communication the change agent directly communicates the change message, verbally or through

written means (Armenakis *et al.*, 1993: 687; Armenakis & Harris, 2002: 172). Active participation refers to learning, growing skills and gaining confidence through observing others, personal involvement and practice and through participating in decision-making (Armenakis *et al.*, 1993: 687; Armenakis & Harris, 2002: 171-172). Information management refers to the planned provision of change information, for example the provision of sector comparative information or internal budgetary data highlighting the necessity for change (Armenakis *et al.*, 1993: 687; Armenakis & Harris, 2002: 172). Todenem (2007: 3, 6) adds a fourth communication strategy, namely implicit or non verbal communication, where leaders and managers lead by example. Smith (2005: 410) agrees stating that 'leaders must not just talk about change; they must personify and model the intended new organisational culture'.

2.4.6 Readiness for change and the Role of Managers

Armenakis *et al.* (1993: 682) notes that the 'energy, inspiration, and support necessary to create readiness must come from within the organization'. Organisational leadership and management play a key role in preparing employees for change (Maddock, 2002: 13; Pollit, 2009: 288; Walker *et al.*, 2007: 763). Kavanagh and Ashkanasy (2006: 81) concur, noting that 'for effective change to occur...there is no substitute for the active engagement of the CEO and executive team'. Even in situations, where change has been imposed on leaders, such as mergers, they believe leaders still need to act as change agents (Kavanagh & Ashkanasy, 2006: 99). Seijts and Roberts (2011: 191) emphasise the role of the management team in creating conditions, through influencing the change context and change process, in order to encourage the development of employees' openness and readiness for change. Ways that management can do this include the creation of opportunities for employees to participate in change efforts and the provision of support and resources required to make the change (Seijts & Roberts, 2011: 191).

The critical role of leadership in time of change is supported by Terry and Jimmieson's (2003: 99) research in Australian public sector organisations. This view is endorsed by Lyons *et al.* (2009: 461) in their research with the US Military.

They claim that ‘research has established a definitive relationship between leadership and the effectiveness of change initiatives within organisations’ (Lyons *et al.*, 2009: 461). Cinite *et al.* (2009: 273-275) undertook studies on perceived organisational readiness for change in five public sector organisation, examining the organisational actions that public servants associated with readiness and un-readiness for change. With respect to organisational readiness, they found that public servants took cues from the organisational leaders at all levels, including their immediate supervisor and leaders were seen to ‘embody the organisations values around change’. Hence Cinite *et al.* (2009: 274) recommended that ‘all managers who have direct reports...need to be ready and well equipped to communicate change to their staff and provide the necessary support’.

As the focus of this study is a public sector organisation, namely the local government of Nedlands, consideration will now be given to the public sector and organisational change management.

2.5 Public Sector and Organisational Change Management

Like the private sector, the public sector is affected by the pressures to adapt to the fast changing technological, economic, social, and political environment (Karp & Helgo, 2008: 86). Public institutions are under increasing pressure to become more economic, efficient, effective, to modernise and adopt what is called *new public management* (Azzone & Palermo, 2011: 90; Brown *et al.*, 2003: 230; Karp & Helgo, 2008: 86; Maddock 2002: 13-14; Thomson, 1992: 33). New public management is a ‘loose term for worldwide administrative reform initiatives’ wherein the public sector adopt managerial systems utilized in the private sector (Azzone & Palermo, 2011: 90; Brown *et al.*, 2003: 230). These changes are invariably fundamental and episodic and often include changes such as re-structuring, re-engineering, and the introduction of new systems (Azzone & Palermo, 2011: 90; Brown *et al.*, 2003: 230; Pollit, 2009: 285; Trader-Leigh, 2002: 138).

Brown *et al.* (2002: 233) suggest that because of the unique features of the public sector, public sector institutions encounter even more difficulty than private sector

institutions when implementing corporate change. Some of the unique features of the public sector include their purpose, context and culture (Ostroff, 2006: 142; Todnem *et al.*, 2008: 21). In terms of purpose, the public sector has social and public welfare objectives rather than profit objectives (Karp & Helgo, 2008: 87; Kavanagh & Ashkanasy, 2006: 81). A significant factor with respect to the context of the public sector is its political nature. The public sector is accountable to a range of stakeholders including political leaders, citizens and the media (Brown *et al.*, 2002: 233; Karp & Helgo, 2008: 87; Kavanagh & Ashkanasy, 2006: 81). Concerning culture, public institutions generally follow a bureaucratic approach (Brown *et al.*, 2002: 233). This bureaucratic, rule-based approach originates from the requirement to be accountable, but it often results in inefficiencies, unresponsiveness and limited flexibility (Brown *et al.*, 2002: 235; Ostroff, 2006: 142). The bureaucratic approach is also evident in the difficulty the public sector has in initiating change. Lindblom (1994, as cited in Trader-Leigh, 2002: 138, 140) notes that ‘initiating change is a competitive, often hostile activity...and...anyone who wants change has to overcome massive inertia’. Lindblom (1994, as cited in Trader-Leigh, 2002: 138, 140) claims that the public sector tends to focus on the more tangible outcomes, such as the ‘technical, procedural and operational aspects...’, at the expense of the intangible, such as employee morale and motivation, where ‘...resistance to change, which usually shows up in the social, cultural and political systems (and) is largely an unmanaged process’. Research on structural change in the UK public healthcare sector supports this view. Bamford and Daniel (2005: 391-392) found that many employees ‘came through the process of change feeling bruised, disenchanted, and de-motivated’. They suggest that such impacts not only have a detrimental impact on the individual, but ultimately impact on the delivery of services, which is the overall purpose of the institution (Bamford & Daniel, 2005: 392).

Research into change in the public sector also highlights the necessity of readiness for change and the important role of managers and change communication in creating readiness. Cinite *et al.* (2009: 273-275) undertook a study in five public sector organisation, focusing on employees perceived organisational readiness for

change. The findings highlighted the role of leadership, lower job stress and a supportive organisation as affecting employee's perceptions of organisational readiness for change (Cinite *et al.* 2009: 274). In terms of unreadiness, public servants perceived organisations to be unready when organisational change detrimentally impacted on their workload and when communication was poor. That is, where the vision for change was not clearly articulated and the outcomes, reasons and benefits were not well motivated (Clinte *et al.* 2008: 274).

Terry and Jimmieson (2003: 97-98) undertook research in two public-sector organisations. One of these was an organisation in Queensland which was undergoing major restructuring, resulting in the loss of many middle management positions. The second study focused on managers in a public utility that was implementing a new remuneration scheme (Terry & Jimmieson, 2003: 92). In both studies employees who received change-related information prior to the restructuring showed 'higher levels of psychological wellbeing, client engagement and job-satisfaction' (Terry & Jimmieson, 2003: 97). In addition, the second study found that managers who received change-related information and opportunities to take part in the process of change also 'reported higher levels of readiness for change' (Terry & Jimmieson, 2003: 92). These studies highlight the importance of employee readiness for change and the provision of information prior to and during change. As Terry and Jimmieson (2003: 97-98) claim, 'when employees have a sense of prediction and understanding about impending organisational change, they are likely to develop appropriate internal coping resources'.

Neves (2009: 215) undertook change readiness research in a public institution changing to a new performance appraisal system because of external government pressure. Based on the outcomes of this research, Neves (2009: 227) highlighted the importance of managers communicating a message of readiness for change which emphasised the rationale for the change, its appropriateness, and focused on building employee confidence or feelings of self-efficacy. Neves (2009: 227) notes that this is particularly pertinent in situations where changes is the result of external government pressure.

2.6 Conclusion

The Western Australia state government has initiated a process of local government reform with the overall aim of creating fewer, stronger, more capacitated local governments that are able to provide improved services to their communities (LG Reform SC, 2010a: 5). As part of this reform the local government of Nedlands is investigating a merger with the local government of Subiaco. Mergers are generally recognised as very difficult and complex organisational change processes which impact on all parts of the organisation and involve an extensive range of issues (Kavanagh & Ashkanasy, 2006: 81). This proposed merger represents a fundamental change for both local governments. If implemented it will be required to be completed within a defined period of time and as such it is also episodic change. The implementation of the merger will follow a planned process.

The value of the first phase of planned change, namely readiness for change, where organisational members are prepared for and become supporters of change, has been emphasized. The vital role of managers and the importance of change communication with respect to developing employee readiness for change have also been emphasized.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out the aims and objectives of the research and describes the methodology used to undertake this research and achieve these objectives. The chapter starts with an overview of the aims and objectives of the research. Thereafter the paradigm informing the research, the case study methodology, the data gathering methods and analysis techniques are described. This chapter also reflects on the quality of the research and ethical considerations.

3.2 Research Aims and Objectives

The motivation for the study, the reasons for the selection of Nedlands as a case study and the aims and objectives of the research are outlined in the introductory chapter. Briefly, the aims and objectives of the research are:

From the perspective of change readiness, to analyse the documentation that has communicated the local government reform to take place in Nedlands, and from the perspective of the Nedlands' managers, to ascertain the level of readiness for the change amongst the employees of Nedlands local government, including their views on their personal level of readiness as managers. The supporting objectives are to:

- assess the readiness of the Nedlands employees for local government reform;
- analyse the change readiness content of the Nedlands local government reform communication;
- make recommendations to enhance employee readiness for local government reform and to enhance readiness for change communication at Nedlands local government.

This research could benefit Nedlands local government and other Western Australian local governments facing the challenges of reform. It is hoped that the research outcomes will enhance the possibility of successful local government reform at Nedlands through identification of areas where employees require support

or where there are communication shortfalls and thereby engender employee readiness for change and contribute to an increased chance of successful change. It may also offer some insights for other local governments in Western Australia who are under increasing pressure to reform and amalgamate with neighbouring local governments (LG Minister, 2011b: 1).

3.3 Research Paradigm and Methodology

The paradigm within which this research is situated is post-positivism (Guba & Lincoln, 1994: 107). This paradigm recognises the existence of a reality and that knowledge and information about this reality are accessible and external to the researcher. However, it is also recognised that knowledge will always be limited and cannot be fully understood by the researcher (Guba & Lincoln, 1994: 110; Riege, 2003: 77). In engaging in the research process the researcher is also engaging in a process of knowledge construction and as such it is necessary for the researcher to be consciously aware of the research process and the role of the researcher themselves in the process (Guba & Lincoln, 1994: 110; Riege, 2003: 77).

This is a qualitative study, an approach which is congruent with the post-positivist paradigm. It recognises the importance of the context, the necessity of understanding and gaining insight through engagement with people in order to understand the meaning that they attach to their activities in a particular setting. It also recognises that ‘discovery’ happens through the research process (Guba & Lincoln, 1994: 106; Riege, 2003: 77).

A qualitative case study approach was used utilised as it provides an opportunity for the researcher to explore the research question in a more focused way, from the perspective of the insider, within their specific context and generating *rich* or *thick* descriptions (Babbie *et al.*, 2007: 282; Gray, 2004: 124; Winegardner, 2001: 7). These features of a qualitative case study also enhance the reader’s understanding, ‘bringing the discovery of new meaning, extending the reader’s experience or confirming what the reader already knows’ (Winegardner, 2001: 7).

A number of different types of case studies have been identified in accordance with their purpose. These include: descriptive, explanatory, exploratory and evaluative case studies (Gray, 2004: 123; Winegardner, 2001: 6). This research project is essentially an evaluative case study, as its purpose is to evaluate in order to propose improvements and generate knowledge (Babbie *et al.*, 2007: 282). In addition, a deductive research approach is followed, with theory structuring the research, informing the data collection and providing the framework for analysis (Babbie *et al.*, 2007: 282).

The defining feature of a case study is its focus on a specific case or unit, a ‘unique, bounded system’ (Babbie *et al.*, 2007: 281; Stake, 2000: 435-436). The unit of analysis for this case study is the bounded system of the Nedlands local government, which is situated in Perth Metropolitan, Western Australia.

3.4 Case Study Population

Nedlands is a small local government in Perth’s western suburbs. It covers an area of twenty one square kilometres, serves a population of twenty two and half thousand people and has an administrative staff of approximately one hundred and fifty (Nedlands, 2010c: 4). The head of the administration is the Chief Executive Officer and the departments are led by directors: Corporate Services, Development Services, Technical Services, Community and Strategic and Human Resources and Organisational Development (Nedlands, 2010c: 4). There are ten sectional managers who work within these different departments.

Purposeful sampling was used to identify the interviewees (Winegardner, 2001: 8). Potential interviewees were identified in consultation with Nedlands (Cole, 2011). The management group was selected for interview because of their integral role in the organisation, their knowledge of the organisation and employees and, from a practical point of view, because of their accessibility. The Table below details the profile of the Nedlands managers. Nedlands has a stable team of managers, with the majority of them having been in their positions for between two to five years and two of the managers having been in their positions between six to ten years. These

managers are mature in age, all are over thirty, with the majority over forty. Nedlands has a greater number of female managers.

Table 3: Profile of the Nedlands Managers

Years at LG:	Total	0-1	2-5	6-10
Number of Managers	10	1	6	3
Years in current position:	Total	0-1	2-5	6-10
Number of Managers	10	2	6	2

Age Category:	Total	- 30	31 - 40	41 – 50	51 - 60	60 +
Number of Managers	10	0	2	4	3	1

Gender:	Total	Female	Male
Number of Managers	10	6	4

3.5 Data Collection

Data was collected using interviews and document analysis. During February 2011 and March 2011 the researcher met with officials at the Western Australia Department of Local Government to discuss the research, obtain advice and request an introduction to the Nedlands local government (Murray, 2011; Dean, 2011; Tuthill, 2011). Thereafter the Western Australian Department of Local Government Case Officer for Nedlands introduced the researcher to the Nedlands local government. At a meeting with a designated Nedlands official at the beginning of April 2011, the researcher outlined the proposed research and requested permission to undertake the research at Nedlands (Cole, 2011). Permission was granted and the Nedlands official circulated an e-mail explaining the research, introducing the researcher and encouraging the managers to participate in the interviews.

As noted above, a deductive research approach was followed, with theory informing the interview questions and data collection (Yin, 2002: 112). Semi-standardised interviews were used (Berg, 1998: 61). Whilst prepared questions form the basis of semi-standardised interviews, interviewers are free to deviate from these and to probe the answers given by interviewees (Berg, 1998: 61). Semi-standardised interviews are appropriate for qualitative studies, as this flexibility allows the interviewer to explore, probe issues as they arise and so to ‘understand the world

from the subjects point of view' and to 'unfold the meaning of peoples' experiences' (Kvale, 1996: 1).

All ten managers participated in the research and were interviewed during April 2011. Prior to the interviews e-mails were sent to the interviewees requesting basic biographical information and outlining the interview questions (attached as Annexure B). The interviews took a total of five hours and forty five minutes, with the length of individual interviews varying between twenty minutes and an hour. On average each interview lasted just over half an hour. All interviews were digitally recorded and were transcribed verbatim.

'Interviews are interactional encounters' where the 'nature of the social dynamic of the interview can shape the nature of the knowledge generated' (Fontana & Frey, 2000: 647). Given the dynamic nature of the interview situation and the important role of the interviewer, the interviewer attempted to establish rapport and trust with the interviewees in a number of ways (Fontana & Frey, 2000: 655). Interviews were voluntary and held at times and venues selected by the managers. Interview questions were open-ended and circulated in advance. Prior to and at interviews the researcher explained her background, the purpose of the research and provided assurances of anonymity. The researcher also strove to show empathy through actively listening and by asking probing questions in order to gain a better understanding of the manager's perspectives. From the nature of the interviews and the honest and insightful responses the researcher believes that a level of rapport and trust was built.

The Nedlands local government reform documents were selected on the basis of their pertinence to the objectives of the study and their availability on the Nedlands local government and the Nedlands / Subiaco Regional Transition Group websites. All documents referring to local government reform, dated and published before the end of April 2011, when the interviews with managers were completed, were selected for analysis. The Nedlands community members were the target audience for the majority of the Regional Transition Group documents. These documents

were, however, also sources of information communicating local government reform to the Nedlands employees. Many of these documents were copies of advertisements and media releases and so would have also been accessible to employees via the media. Nedlands local government are at the very early stages of local government reform, they are still in the process of investigating the viability of a merger with Subiaco. As such, the amount of documentation and information available for this study was fairly limited. A much greater amount of documentation and information is likely to become available once the Nedlands/ Subiaco Regional Transition Group Business Plan is completed and decisions are made by the Council regarding local government reform.

The Western Australia Department of Local Government has released a number of media statements, sent out bulletins and circulars to local governments and made these and other documentation regarding local government reform freely available on their website. Annexure A lists all the Department of Local Government media statements, bulletins and circulars that were available on their website, up to the end of April 2011. This documentation would have been accessible to the Nedlands employees through the media, on the Department's website and some of these may even have been circulated internally at Nedlands. This documentation may have thus influenced the views of the Nedlands employees. These Western Australia Department of Local Government documents have not been analysed, as the objective of this research was to focus on Nedlands and to analyse the change readiness content and make recommendations with respect to the Nedlands local government reform documentation. The Department's local government reform documentation that is listed in Annexure A did, however, provide a point of reference and backdrop for this research.

The Nedlands local government reform documents are listed in date order in Table 4 below.

Table 4: List of Nedlands Local Government Reform Documentation

Date	Type and Title
2 March 2010	City of Nedlands Council Meeting Minutes
10 August 2010	Media Release – RTG: Cities sign regional transition group agreement
24 August 2010	City of Nedlands Council Meeting Minutes
1 September 2010	Media Release – RTG: Inaugural board meeting sets agenda
26 September 2010	Advertisement - RTG
September 2010	Fact Sheet- RTG
4 November 2010	Media Release – RTG: Cities launch online forum in a first for western suburbs
6 November 2010	Advertisement - RTG
November 2010	Fact Sheet – RTG: Frequently Asked Questions
5 December 2010	Advertisement - RTG
19 February 2011	Advertisement - RTG
9 April 2011	Advertisement – RTG: Feasibility Study Update

3.6 Data Analysis

As noted, a deductive approach has informed this research and has provided a framework for the analysis of the data (Gray, 2004: 124). Yin (2002: 111) and Gray (2004: 139) highlight the value of using ‘theoretical propositions’ for the selection and analysis of data in case studies. The five dimensions of employee *readiness for change* described in the literature review – *discrepancy, appropriateness, principal support, efficacy* and *valence* – provided the theoretical propositions for the analysis (Armenakis *et al.*, 1993: 684-686; Armenakis & Harris, 2002: 170-171; Walker *et al.*, 2007: 763). These dimensions provided the framework for the analysis of the interview transcripts and the Nedlands local government reform documentation. Within this framework and in keeping with the qualitative approach the researcher attempted to reflect the manager’s views, context, meanings and intentions through rich, thick descriptions (Winegardner, 2001: 6). To this end, illustrative verbatim quotes were included.

3.7 Ethical Considerations

Every endeavour was made to undertake this research in an ethical way. Consideration was given to the way in which this research was conducted, the

processing of the evidence, the way in which the findings were used and to practical aspects of the research (Remenyi, 1998: 110-114).

Permission for the research was sought and granted by Nedlands local government. The managers participated voluntarily in the interviews and with full knowledge of the purpose of the research. Interview questions were provided to all managers before interviews took place and at the start of each interview the purpose of the research was again clarified. The managers were also assured of anonymity. Nedlands has requested that the outcomes of the research be presented to them and this will be done on completion.

3.8 Confirmability, Credibility, Transferability and Dependability

Riege (2003: 81) highlights four tests for establishing quality in qualitative research design - *confirmability*, *credibility*, *transferability* and *dependability*.

Confirmability assesses whether the interpretation of data was undertaken in a 'logical and unprejudiced manner' (Riege, 2003: 81). In striving for conformability the researcher has provided detailed explanations of the methods and procedures utilized, has tried to present the 'complete picture' through the provision of background and contextual information, used multiple sources of data and has retained all documentation, including the electronic recordings of interviews, the verbatim transcribed interviews and the reform documentation (Riege, 2003: 81).

Credibility involves 'the approval of research by interviewees or peers' and reflects on whether the research was undertaken in a credible manner (Riege, 2003: 81). The following aspects need to be considered: the use of 'rich and meaningful' or 'thick' descriptions, the internal coherence of the findings and the systematic relationship of concepts (Riege, 2003: 81). This research has not been reviewed by peers, but the pursuit of credibility has been an aim of the research.

Transferability is about the extent to which the findings can be generalised beyond the study itself (Riege, 2003: 81). This research has used thick descriptions in the

hope that these descriptions may resonate with the reader's own experience and in this way they may evaluate the transferability into their own settings (Riege, 2003: 81). The research also attempts to highlight the relationships between the theory and the research and in this way also respond to this aspect (Riege, 2003: 81).

Dependability reflects on the 'stability and consistency in the process of enquiry' (Riege, 2003: 81). To address this aspect the researcher has described the research questions, the research design, the process of research and has set out her worldview, assumptions and theoretical position (Riege, 2003: 79, 82).

3.9 Conclusion

This chapter has described the methodology used to undertake this research and achieve the aim and objectives of the study. In the following chapter the results of this research are presented, the outcomes are discussed and management recommendations are made.

CHAPTER 4: RESULTS, DISCUSSION AND RECOMMENDATIONS

4.1 Introduction

This chapter will present the results, discuss the findings of the research and make management recommendations, in so doing will address the following objectives of the research:

- assess the readiness of the Nedlands employees for local government reform;
- analyse the change readiness content of the Nedlands local government reform communication;
- make recommendations to enhance employee readiness for local government reform and to support readiness for change communication at Nedlands local government.

4.1.1 Framework for Analysis

The literature review noted the difficulty of achieving success with organisational change and highlighted a number of models of planned organisational change that have been developed to address these difficulties and support successful change. Most of these models identify *readiness* as a first step towards successful change. The important role of communication in creating employee *readiness for change* is also highlighted. Definitions of readiness for change and some of the dimensions of readiness for change reflected in these definitions were outlined. From the perspective of the Nedlands managers these dimensions - *discrepancy*, *appropriateness*, *principal support*, *efficacy* and *valence* - will provide the 'lens' through which the readiness for change of the employees will be explored. These dimensions will also provide the 'lens' to view the documentation that has communicated the local government reform to take place at Nedlands local government.

4.1.2 Nedlands Local Government Reform Communication

Strategies to communicate the change message outlined in the literature review included persuasive/ direct communication, active participation, the management of internal and external information and implicit or non verbal communication (Aremenakis & Harris, 2002: 171; Todnem, 2007: 3, 6).

Direct communication was the predominant way local government reform was communicated to employees at Nedlands. All of the managers identified the Chief Executive Officers' post-council verbal briefings as their key source of information. Some managers also mentioned internal e-mails as a source of information. Other forms of direct communication were the local government reform documents published on the Nedlands Local Government website and the Nedlands/Subiaco Regional Transition Group website. Many of these documents were copies of advertisements and media releases and were thus also accessible in the local newspaper. Whilst the broader Nedlands community were the intended audience for the majority of these published documents, these documents also communicated local government reform to the Nedlands employees. Less than half the managers mentioned visiting the Regional Transition Group website, but almost all of the managers identified the media as a source of information about local government reform. These published and dated documents are analysed in this chapter.

Most of the managers indicated that they had collated departmental information for the Regional Transitional Group Business Plan, but did not mention any involvement in activities that could be described as 'active participation'. They pointed out that it was the Chief Executive Officer and the directors who participated in local government reform discussions.

From the research it would appear that Nedlands did not actively manage the communication of internal and external local government reform information. While Nedlands directly communicated details about the process of change, the managers did not mention any specific Nedlands statistics or sector comparative information which had been intentionally communicated to staff. Neither did they

identify the correspondence or the reports from the Western Australia Department of Local Government, as sources of local government reform information. While it is obviously difficult to determine the implicit/ non-verbal message communicated by the Nedlands leadership, this would nonetheless be a critical form of communication about local government reform for the Nedlands employees.

4.1.3 Chapter Structure

Each of the dimensions of readiness for change - discrepancy, appropriateness, principal support, efficacy and valence - will form separate sections in this chapter. In each section the identified dimension will be described, consideration will be given to the content of the Nedlands local government reform documentation, the management perspective will be presented, the theme will be discussed and finally, management recommendations will be made.

4.2 Discrepancy

In order to be ready to support change, employees need to believe that the change is necessary and that change is required. Employees should be able to clearly identify the problems and weaknesses of the organisation's current performance and where it should be or the ideal change state (Armenakis & Harris, 2002: 170). The *discrepancy* message should address this point and clearly demonstrate the need for change, the negative consequences of not changing, the benefits of changing and describe the proposed change ideal or vision (Armenakis *et al.*, 1993: 684; Armenakis & Harris, 2002: 170; Neves, 2009: 217; Self, 2007: 12; Todnem 2007: 4; Walker *et al.*, 2007: 763).

In assessing the readiness aspect of discrepancy, this section will consider the need or rationale for local government reform and the vision for local government reform as communicated in the Nedlands reform documentation and from the perspective of the Nedlands managers.

4.2.1 Discrepancy - Nedlands Documentation

As outlined in the introduction, the Western Australian Department of Local Government motivates local government reform on the bases of current sector stagnation, the critical capacity challenges facing local governments, the potential community, industry and government benefits that could be achieved by reformed local governments and the opportunities offered by a strengthened local government for increased funding and partnerships with government and business (LG Reform SC, 2010a: 14-23).

Neither the Nedlands/Subiaco Regional Transition Group documentation nor the excerpts of the Nedlands Council Minutes provide any details of the problems, weaknesses or capacity constraints which would induce Nedlands local government to participate in the state's local government reform programme. On the basis of its submission to the Western Australia Department of Local Government, however, the Department identified Nedlands as a category two municipality, requiring 'structural reform...to enhance organisational and financial capacity' (LG Reform SC, 2010a: 21). This information about the Department's categorisation of Nedlands is available in the 'Local Government Reform Steering Committee Report May 2010' on the Departmental website. None of the managers referred to the categorisation of Nedlands, however, suggesting they had little knowledge of it.

Nedlands has not provided a detailed motivation for local government reform. One of the Regional Transition Group Fact Sheets mentions some potential benefits noting, however, that these benefits may or may not apply to an amalgamated Nedlands and Subiaco (RTG 2010h: 2). The benefits include:

- a wider range of services to communities;
- greater efficiencies through economies of scale;
- a more co-ordinated approach to the provision of regional planning, environmental management and community services;
- improved financial capacity to respond to community needs;
- greater capacity to partner with federal and state government;
- the ability to attract and retain quality staff and elected members;

- reduced administrative costs;
- increased resources to deliver better and more cost-effective services (RTG, 2010h: 2).

All of these benefits are included in the Western Australia Department of Local Government's motivations for local government reform.

The Western Australia State's vision for local government reform is to 'build strong and sustainable structures of local government' with the 'capacity to operate at best practice levels and to deliver optimal services to communities...into the next 100 years' (LG Reform SC, 2010a: 5). The strategies proposed to achieve this include structural reform and capacity building (LG Reform SC, 2010a: 5, 13). The Nedlands local government reform documentation does not detail a compelling vision for a reformed local government, but does state that its purpose for joining the Regional Transition Group is 'to explore all options which could result in increased value and improved service provision to residents and ratepayers' (Nedlands, 2010a: 2).

Nedlands local government reform documentation only focuses on the aspect of structural reform (a merger in particular) and does not reflect on 'capacity building'. Local government capacity building is presented as a key component of the Department's reform programme, however, with local government capacity constraints described as 'fundamental issues impacting on the sector's ability to service communities over the long term' (LG Reform SC, 2010a: 8).

4.2.2 Discrepancy – Management Perspective

In terms of discrepancy and perceiving the need for change, some of the managers acknowledged the capacity constraints facing Nedlands as key reasons for reform. The identification of these constraints arose out of the manager's practical experience and as such they provided insightful comments on the topics. Constraints included asset maintenance, the limited rates base and the difficulty of attracting and keeping staff:

‘there is a great deal of aging infrastructure...’ (Interviewee 3); ‘...asset management is in poor condition...a lot of buildings and public infrastructure is in a poor condition...’ (Interviewee 4); ‘...Nedlands has a big issue...keeping our infrastructure up to the right capacity...’ (Interviewee 10); ‘...our rates income diversity is limited...’ (Interviewee 3); ‘...we have a limited rates base which means our revenue is very small and needs to be spread very thinly...’ (Interviewee 4); ‘...a lack of resources is evident...’ (Interviewee 5); ‘...we do have some problems attracting and keeping staff...’ (Interviewee 5).

Most managers believe that an amalgamation with Subiaco would be beneficial for Nedlands and identified opportunities for greater efficiency, cost saving, economies of scale, a more diverse rates base, increased and improved levels of service, improved asset management, an improved ability to attract and retain staff and standardised regulations across neighbouring areas. The managers did not generally provide lengthy descriptions or detailed motivations, but gave short responses, using broadly encompassing phrases to motivate and describe these benefits. Examples are detailed below:

‘...there’ll be benefits... through more efficient use of resources...’ (Interviewee 1); ‘...the main benefit will be a more efficient organisation in the long term...’ (Interviewee 2); ‘...achieve economies of scale...achieve greater efficiencies and effectiveness...’ (Interviewee 5); ‘...the benefit would be...more efficient services to the rate-payers...’ (Interviewee 7); ‘...bigger, supposedly more efficient and stronger...’ (Interviewee 10).

Most of these benefits are mentioned in the Western Australia Department of Local Government documentation and listed in the Nedlands local government reform communication.

In terms of a vision for a reformed local government, the Nedlands managers focused on structural reform, namely a merger, and did not identify capacity building as a component of local government reform. Whilst a number of benefits

of local government reform were identified by the managers, they did not present an over-arching vision for a reformed local government.

4.2.3 Discrepancy – Discussion and Management Recommendations

For readiness for change, literature emphasises the importance of employees perceiving compelling reasons for change, having a ‘sense of urgency’ and having a vision for a changed future (Bouckenooghe *et al.*, 2009: 559; Chreim 2006: 316; Kotter, 1995: 60-63). Whilst the Nedlands managers generally recognised the need for local government reform, they did not seem to perceive compelling reasons for change, have a sense of urgency or clear vision for a reformed local government.

Literature notes that change agents need to implement strategies to create ‘dissatisfaction with the present state of things and a concomitant desire for, and a shared vision of, where and how the organisation needs to change’ (Smith, 2005: 409). Bamford and Daniel (2005: 404) note that ‘the reasons for the change, together with a vision for the future, need to be clearly stated through effective and consistent communication channels’. The Nedlands documentation tended to focus on the process and time-frames of the work of the Regional Transition Group, the merger feasibility study, and did not provide compelling arguments for change or describe a vision for a changed future. This limited motivation may be due to Nedlands being in the investigative phase of the merger. The Department of Local Government has presented a case for local government reform, however, and has identified Nedlands as a category two municipality, meaning that it requires reform. These reasons and a vision for the future could be presented in this documentation as a motivation and a benchmark for the merger investigations. In this way Nedlands could begin readying employees for change.

In view of the above and in attempting to ready employees for change it is recommended that Nedlands:

- directly communicate compelling reasons for local government reform and outline a clear vision for a reformed local government;

- utilize a range of communication strategies, in addition to direct communication, to consciously communicate this change message, including:
 - active participation, such as holding Departmental strategic sessions where employees consider the strengths, weaknesses and a vision for their Department and Nedlands;
 - the management of internal and external information, for example: communicating internal data, such as budgetary and asset management information which reflects the necessity for local government reform; similarly communicating external data which highlights the need for change such as the Western Australia Department of Local Governments' correspondence and reports.

4.3 Appropriateness

Appropriateness assesses whether the strategies proposed to achieve the change are perceived as the appropriate solution to close the gap and address the discrepancy (Armenakis *et al.*, 1993: 684; Armenakis & Harris, 2002: 170; Chreim 2006: 317; Neves, 2009: 217; Self, 2007: 12; Walker *et al.*, 2007: 763). Whilst employees may agree that change is needed, they may not agree that the strategies to achieve the ideal state are appropriate.

The Western Australian State Government has proposed structural reform and capacity building as the strategies to close the gap, to address the discrepancy and achieve local government sustainability in Western Australia. This section reflects on the Nedlands documentation and the extent to which these strategies are supported therein. It also reflects on the Nedlands managers' perceptions of the appropriateness of these strategies.

4.3.1 Appropriateness - Nedlands Documentation

The strategies motivated to address the discrepancy by the Western Australia State Government include structural change, consisting of an amalgamation and a reduction in councillors and local government capacity building. Whilst the

Western Australian Department of Local Government and the Western Australia Local Government Association agree on some of the key challenges facing local government, their proposed strategies to achieve change, have some differences (WALGA, 2008: 14). Western Australia Local Government Association emphasises functional rather than structural change and notes that the ‘...amalgamation of local governments without existing capability...offers slim prospects for improvement’ (WALGA, 2008: 16). Western Australia Local Government Association’s proposal of functional change emphasises maintaining existing local governance relationships, whilst utilizing regional platforms, partnerships with other local governments and other bodies for the delivery of services (WALGA, 2008: 16).

The Nedlands documentation does not refer to capacity building, focusing only on structural reform as a potential strategy to address the discrepancy. The motivation for the strategy of structural reform is not extensive, only a list of possible benefits of a merger is provided (RTG, 2010h: 2). It would appear that Nedlands has not totally rejected the strategy of ‘functional change’, however, as the Council minutes of 19 September 2009 mention that while amalgamation is being investigated Nedlands will ‘continue to work collaboratively within a regional group of the Perth western suburbs’ (Nedlands, 2010a: 3).

4.3.2 Appropriateness – Management Perspective

The managers generally support a merger as an appropriate response to the identified discrepancy. When asked about other appropriate strategies, some of the managers mentioned alternative merger partners, such as Claremont or an amalgamation of all the local governments in the western suburbs, but none of the managers mentioned Western Australia Local Government Association’s strategy of ‘functional change’ or included capacity building as a strategy to achieve reform. The extent to which this strategy is supported is explored in their reflections about the potential negative impacts of the merger.

A number of concerns about the impact of the merger were raised. The possibility of less personal services and the loss of close contact with the community was a prominent concern:

‘I think the drawback...is less personal service...’(Interviewee 5); ‘...with these smaller councils there is quite a personal connection...it is almost like a village attitude which you are obviously going to lose...’(Interviewee 8); ‘...you...potentially lose some accessibility to people, councillors and staff’ (Interviewee 9); ‘...some down sides...you might lose touch with the community...’(Interviewee 10).

A number of managers expressed concern about the impact of the merger on the organisational culture:

‘...the culture will change...’ (Interviewee 5); ‘the biggest drawback for me is that we have very different cultures...this is a lovely place to work...’(Interviewee 9); ‘the two cultures will have to get used to one another...’(Interviewee 7).

All the managers expressed concern about potential redundancies:

‘...obviously I could be out of a job...’ (Interviewee 4); ‘I could end up not having a job’ (Interviewee 9); ‘either I lose my position or my position is downgraded’ (Interviewee 10).

Associated with this was the concern that in the climate of uncertainty that a merger would evoke, a number of skilled staff would leave voluntarily:

‘...losing staff during the change is a key vulnerability...’ (Interviewee 5); ‘we may lose people’ (Interviewee 2); ‘...I might move out’ (Interviewee 7); ‘...some people may jump ship’ (Interviewee 9).

4.3.3 Appropriateness – Discussion and Recommendations

With the exception of one manager, the Nedlands managers generally supported local government reform in the form of a merger. It is difficult to evaluate the strength of their support for the merger. The issues they raise, however, suggest

some level of concern. These issues are similar to the impacts of structural change identified by local government employees in South Australia: ‘loss of experience and expertise through staff loss, job insecurity and an ‘us and them’ mentality between pre-amalgamation entities’ (Pocock *et al.*, 2001: 42). These issues, especially the managers concerns about personal service and connection to the community, are concerns related to structural change and are not applicable to the Western Australia Local Government Association alternative strategy of ‘functional change’, where governance structures remain the same and a strong connection to the community is maintained.

Self (2007: 12) notes that change leaders need to demonstrate why the ‘proposed change is the right solution for eliminating the gap between the current and ideal state’. Nedlands documentation does not currently provide an extensive motivation for a merger. If a merger is to proceed, however, Nedlands could support employee readiness through detailing more persuasive arguments for the merger, addressing concerns and clearly motivating why ‘structural change’ is more appropriate than Western Australia Local Government Association’s proposal for ‘functional change’.

Whilst the Western Australia Department of Local Government notes that capacity building is a key component of local government reform, Nedlands documentation and the managers did not identify capacity building as an element of local government reform. This may be because much of the Western Australia Department of Local Government’s communication to local governments tends to focus on structural reform (see Annexure A).

In readying employees for local government reform it is thus recommended that Nedlands local government:

- engage the Department of Local Government about the capacity building component of local government reform, incorporate relevant aspects into their reform programme and communicate the same to employees;
- communicate persuasive motivations for local government reform;

- respond to the concerns raised by employees about a merger, including:
 - consider the alternatives set out in the paper on ‘options for maintaining community representation and local identity’, in response to the potential loss of personal contact with the community (LG Reform SC, 2009: 1);
 - prepare and implement a ‘Human Resource Change Management Plan’, in line with the Departmental guidelines, wherein actions are proposed which respond to integrating two different organisational cultures, redundancies and loss of skilled staff (WA DLG, 2010e: 1).

4.4 Principal Support

In order to be ready for change employees need to know that internal and external leaders fully support the proposed change (Armenakis *et al.*, 1993: 684). The purpose of the *principal support* message is to demonstrate this leadership support for the change (Armenakis & Harris, 2002: 170). Armenakis *et al.* (1993: 682) maintain that the ‘energy, inspiration, and support necessary to create readiness must come from within the organization’. Organisational leadership and management play a key role in preparing employees for change (Maddock, 2002: 13; Pollit, 2009: 288; Walker *et al.*, 2007: 763)

4.4.1 Principal Support - Nedlands Documentation

The Western Australia state government is the driver of local government reform and its commitment to reform is expressed in its communication with local governments (see Annexure A). Funds allocated to the Nedlands/Subiaco Regional Transition Group process is further evidence of State Government support (Nedlands 2010a: 4).

As noted above, the Nedlands documentation does not refer to the capacity building component of local government reform. With regard to structural reform the Nedlands Council resolved to participate in the Department’s programme and explore options for amalgamation with local governments in the Perth Western suburbs. An outcome of this was the signing of a Regional Transition Group

agreement with Subiaco on 4 August 2010 (Nedlands 2010a: 2; RTG 2010d: 1). The Council minutes note that the purpose of the Regional Transition Group is to, ‘...investigate opportunities for transitioning core services and functions into a common structure’ (Nedlands 2010b: 3-4) It is also noted that ‘participation in this process does not commit the Council to a preferred position’ (Nedlands 2010b: 3-4). The Council’s position on the merger is thus unknown and will only become clear when the Regional Transition Group Business Plan is submitted to Council for a decision. Similarly, the position of the Nedlands Chief Executive Officer and the directors is not set out in the documentation.

4.4.2 Principal Support – Management Perspective

The managers do not make any reference to the capacity building component of the Department’s local government reform programme. The perception of the managers is that the internal senior leadership supports structural change in the form of a merger with Subiaco:

‘without coming out and saying yes we should or should not be doing it...my feeling from them is that they are quite supportive about it and are trying to keep us positive about such an action occurring’ (Interviewee 6); ‘I haven’t really talked to him (director) about it...from a business point of view they can see the advantages to it...’ (Interviewee 1); ‘I think it is very strongly supported by the upper management...’(Interviewee 2); ‘I think our executive think it’s a good idea...’(Interviewee 3); ‘...they (directors and CEO) have been very proactive and very supportive’ (Interviewee 4); ‘I have not detected any resistance, just a helpful approach...there seems to be an acceptance and a certain inevitability...’(Interviewee 5); ‘senior management have been very positive...’(Interviewee 7); ‘It seems that the senior and executive team are quite in favour of it...’ (Interviewee 8); ‘...my boss thinks it is a good idea and I believe most of the others (directors) do, they seem quite supportive of it...’ (Interviewee 9); ‘...my perception is that they (directors) are quite for it...’ (Interviewee 10).

One of the managers highlighted the importance of practical actions in demonstrating support:

‘...the more senior management...need to walk the talk as well and make sure that they are inspiring confidence...’ (Interviewee 6).

A few managers raised concerns about the commitment of councillors and the necessity of their support for the merger process:

‘...councillors, often are not (qualified), they are often retired, have outdated views on a lot of situations...our weakness is our council and their perspective...’ (Interviewee 4); ‘if our councillors aren’t dealing with it, which could bring some disruption to the process...’ (Interviewee 6).

4.4.3 Principal Support – Discussion and Recommendations

The position of councillors and senior leadership on the merger is not communicated in the Nedlands local government reform documentation. The documentation presents a neutral position, as the merger is still being explored. The perception of the managers, however, is that senior management support the merger. The importance of councillors’ support for the reform process was noted by some of the managers.

Literature highlights the important role of senior management in readying employees for change. Armenakis and Harris (2002: 171) cite research where the most successful strategies for change were those where employees, perceived early and continuing change agent or leadership support. In their research into organisational readiness in the public sector, Cinite *et al.* (2009: 274) note that public sector employees took cues from the organisational leadership. These leaders were seen to ‘embody the organisation’s values around change’ and hence Cinite *et al.* (2009: 274) stressed that ‘all managers who have direct reports...need to be ready and well equipped to communicate change to their staff and provide the necessary support’. Similar findings are reported in the South Australian study into the outcomes of local government reform. Pocock *et al.* (2001: 8) suggests that ‘the way that management makes change, makes a difference’ and found that this was

reflected in the ‘significant differences...between councils in terms of employment morale, commitment, voice and perceptions about service to the community’.

In view of the above it is recommended that in readying employees for local government reform:

- the Nedlands Chief Executive Officer proactively champion local government reform;
- Nedlands actively prepare the management team to communicate local government reform and effectively support their staff;
- Nedlands leadership demonstrate their support for reform in their communication and practically through their actions.

4.5 Efficacy

Efficacy indicates the confidence that employees have in the organisation to successfully change and the confidence they have in themselves to successfully change (Armenakis *et al.*, 1993: 684; Armenakis & Harris, 2002: 170; Chreim 2006: 317; Neves, 2009: 217; Walker *et al.*, 2007: 763). Armenakis *et al.* (2003: 686) claim that ‘individuals will avoid activities believed to exceed their coping capabilities, but will undertake and perform those which they judge themselves to be capable of’. The efficacy element of the readiness communication should provide information and answer the question ‘can I/we successfully implement the change?’ (Armenakis *et al.*, 1999: 103). The efficacy message is also seen in the organisation’s efforts to build the confidence of the organisational members to successfully achieve the change (Armenakis *et al.*, 1999: 103).

Consideration will now be given to the communicated and perceived confidence in the organisation to change, the communicated and perceived employee confidence to successfully change and the perceived support required to build confidence and successfully cope with the change.

4.5.1 Efficacy - Nedlands Documentation

The Western Australia Department of Local Government reform communication (see Annexure A) reflects on efficacy issues through its guidelines for a local government 'Human Resource and Change Management Plan'. In these guidelines it is proposed that local governments capacitate, prepare their employees for change and build efficacy through:

- preparing and implementing a communication plan (WA DLG, 2010e: 3, 6, 10);
- team building and interaction between merging local governments (WA DLG, 2010e: 3; 6; 11);
- establishing a peer support network (WA DLG, 2010e: 5);
- establishing professional employee counselling services (WA DLG, 2010e: 5, 9; 11);
- retraining, corporate systems training and organisational orientation (WA DLG, 2010e: 11);
- assistance with resume preparation and interview training (WA DLG, 2010e: 11).

The Nedlands reform documentation focuses on structural change and communicating the technicalities of the Nedlands/Subiaco Regional Transition Group process. These documents do not address efficacy issues and do not aim to instil confidence in employees or build the perception of confidence that the organisation can successfully change.

4.5.2 Efficacy – Management Perspective

4.5.2.1 Confidence in the Organisation

When reflecting on how successfully the organisation would cope with the merger, managers had mixed views. A few managers indicated that the organisation had dealt successfully with change in the past, whilst others were more dubious:

‘there has been a lot of change in the business part of the department...and most people have embraced it’ (Interviewee 1); ‘in the past...we dealt with change very well’ (Interviewee 2); ‘I am not sure that I have the confidence

that we will deal with it extremely well, but I suppose we will get through it' (Interviewee 10); 'Nedlands has dealt with change very poorly in the past' (Interviewee 4); 'I don't have a lot faith that we will do it very well in the light of the way we have done it in the past' (Interviewee 9).

Factors which gave managers confidence that the organisation could successfully change included its small size and prior experience of the organisation involving the employees in change:

'I think as a small organisation, which Nedlands is, you have to be able to change and you have to be able to deal with change...rather quickly, because quite frankly there is no one else to do it'(Interviewee 3); 'small enough organisation, kind of malleable...'(Interviewee 1); 'I think change is a little easier...because people are more actively involved in change' (Interviewee 1); 'with change...the organisation has always tried to make sure that everybody is as involved as possible'(Interviewee 6).

A number of managers felt that the employees themselves were the biggest factor for confidence in Nedlands coping successfully with change:

'we are...a good team..., a very supportive team and we have had good direction from Chief Executive Officers over the years' (Interviewee 6); 'the administrative staff are qualified individuals, in their area of expertise...they'd be successful in any local government...that's a very good strength that we have'(Interviewee 4); 'people seem to be approaching it in an accepting way...quite confident in their own abilities'(Interviewee 5); '...we have got some intelligent people ...and very experienced people here'(Interviewee 5); 'we have some awesome people here' (Interviewee 8); 'there are plenty of skilled people here, that know what they are doing...'(Interviewee 10).

There were a number of factors which undermined confidence in the organisation to successfully change:

‘the biggest part would be getting out of old habits, as an organisation we have our own systems, procedures and ways of doing things...just the day to day stuff will take some getting used to’ (Interviewee 1); ‘there are parts of our organisation that are fragmented...little subcultures...so if there is not leadership that is pumping this, then there may be a bit of negativity’(Interviewee 3); ‘...the biggest thing is getting over people’s perception of turf and overcoming cultural differences within the organisation’(Interviewee 5); ‘the two cultures will have to get used to one another...’(Interviewee 7).

One of the managers believed more needed to be done to prepare employees for the potential change:

‘I think that where we have got a bit of a job to do...I suspect Subiaco is doing a better job than we are in preparing their people to be very well positioned when those jobs come up, because that’s going to be a competitive process’ (Interviewee 3).

In addition to lack of preparation, the limited resources of the organisation were raised as a potential stumbling block:

‘another weakness is definitely that we don’t have a lot of resources...because it’s small, people are very busy and trying to keep that service going and dealing with change...that’s a potential weakness if we don’t handle that properly’ (Interviewee 5); ‘...it comes down to resourcing...it requires effort and time and someone or some people to do that...whatever we put in place to change is added onto whatever somebody else is doing and they are already doing a full-time job...so I don’t have a lot of faith that as an organisation we can adjust to change unless it is properly resourced’(Interviewee 9).

4.5.2.2 Personal Confidence

All of the managers felt confident that they would be able to cope with the merger:

‘I don’t think it will be difficult for me’ (Interviewee 1); ‘I am very change receptive’ (Interviewee 4); ‘I don’t have any problems...I am not worried by change’(Interviewee 7); ‘I am fine with change...I have been through it before...I have got lots of experience in my area’(Interviewee 5); ‘I have done lots of change over the years, so if I believe in it, I can go along with it’ (Interviewee 9); ‘I have dealt with a bit of change...I am not concerned...I’ll just have to make a plan really’(Interviewee 10); ‘I do believe that the kind of skills that I have would make my adaption to the process as simple as possible’ (Interviewee 4); ‘I have got management experience, I have got long experience in the city of Nedlands...these are positive things’(Interviewee 2); ‘I have had a fair bit of training and academic study’ (Interviewee 3); ‘I have fifteen years experience in local government’ (Interviewee 8); ‘I can’t think of anything that would impede my ability to cope with the merger’(Interviewee 6).

A few of the managers raised personal factors that impacted on their confidence to successfully cope with the merger:

‘I am dreadful at selling myself ...I need to think about marketing, which is not my natural instinct, I have never done it before...’ (Interviewee 2); ‘...my main weakness is not really being aware of organisational cultures of the other organisation and if you don’t know that, you don’t know how you can put them together’ (Interviewee 3); ‘...if I don’t think it’s a good thing, if I don’t like what is happening, if I lose faith in what we are doing and how it is being done, it will affect me...I find it really hard to promote something which I don’t believe in...’(Interviewee 9).

4.5.2.3 Support to Build Confidence

When asked to identify what support would assist in adapting to the proposed merger and increase their confidence, almost all of the managers raised communication as the key issue:

‘the biggest thing in the process is communicating what’s happening...just so you know exactly where, what’s expected of you, you know what kind of

time-frames...that will definitely make you more comfortable moving into the process...I think the most important thing is communication'(Interviewee 1); 'dissemination of information is probably the key aspect and communication of what is required and when its required (Interviewee 4); '...you can never give too much information...even if it's bad news for people, like your job is not going to exist, you need to inform people...' (Interviewee 5); '...the organisation needs to keep us informed as much as possible...even if the news is not great news, we still need to know because imagination is the worst thing...' (Interviewee 6); 'it is communication, information, regular, honest, open...so it is really just knowing what is going on, because if you don't like it, at least you know...and at the moment we are all in the dark...' (Interviewee 9); '...making sure we are informed all the time...' (Interviewee 10); '...make sure that people can ask questions if they need to, allay fears if you need to...' (Interviewee 3).

Over and above good, open and honest communication, managers requested training, resources and freeing up time to address change related issues:

'maybe some skills coaching' (Interviewee 4); '...if we have to apply for these new positions...I would expect the organisation would assist ...by giving us refresher course or training...some of us might be a bit rusty – it might be a while since we have been interviewed, our CV's might be a bit out of date...that sort of assistance would make it better for us...' (Interviewee 6); '...providing any training that might be necessary...' (Interviewee 10); '...the need for retraining staff to take on the new roles – I guess that's where there will be a need for support...' (Interviewee 7); '...again, it is a resourcing thing...everyone is busy working ...and this is additional to...' (Interviewee 10).

Finally, one of the managers identified the need for more active participation in the merger process, but was not sure how this could happen: '...part of me says: *Have us become more involved*, but I don't really know how...at this early stage...' (Interviewee 3).

4.5.3 Efficacy - Conclusion and Management Recommendations

As has been mentioned the Nedlands reform documentation does not reflect on issues of efficacy. In its 'Human Resource and Change Management Plan' guidelines the Western Australia Department of Local Government make a number of recommendations to support and build employee confidence for local government reform.

Confidence in the organisation reflects on the context of change. Walker *et al.* (2007: 761) state that the context of change invariably impacts on the success of the change. Many of the issues referred to above, such as the size of the organisation, the skill of the employees, the culture and resources, reflect on the internal context of the organisation. The internal context also includes the organisation's change history, where previous successful change efforts creates confidence about future change and prior unsuccessful change efforts can lead to cynicism about future changes (Walker *et al.*, 2007: 761). This reflection on prior organisational change experience is evident in the responses of the managers. Whilst the managers differed in their perceptions of confidence in the organisation, they generally agreed that the main reason for confidence in the organisation was the qualified and skilled team of employees at Nedlands.

Regarding personal confidence the managers were, on the whole, confident that they had the ability to successfully manage the change. They nevertheless identified a number of areas where they required support. Their request for frequent and ongoing communication is congruent with the literature which suggests that open and honest communication early in the change process is essential in the preparation of employees for change (Chawla & Kelloway, 2004: 487; Mento *et al.*, 2002: 55; Michalenko, 2010: 285; Smith 2005: 410; Walker *et al.* 2007: 763). Terry and Jimmieson (2003: 92) maintain that 'when employees have a sense of prediction and understanding about impending organisational change, they are likely to develop appropriate internal coping resources'. A South Australia study into the impact of local government reform also emphasized the importance of communication: 'overwhelmingly, the most common theme was improved communication and

consultation...employees of all kind sought more communication from their managers' (Pocock *et al.*, 2001: 9).

The managers also requested training, additional resources and time to successfully cope with the merger. Literature suggests that public servants perceive the organisation to be unready for change when organisational change detrimentally impacts on their workload (Cinite *et al.*, 2009: 274). In the inquiry into the impact of amalgamation on local governments in New South Wales it is noted that 'an extraordinary amount of time needs to be spent...by senior officers on the process by which the amalgamation must take place' (Legislative Council, 2003: 73).

The need for more active participation in the merger process was raised. Literature highlights the importance of the active participation of employees in change and decisions about change, suggesting that it provides a sense of ownership and a feeling of control, increasing perceptions of their ability to cope with change and to accept the change (Armenakis *et al.*, 1993: 684-686; Chreim 2006: 317).

In readying employees for local government reform and the potential merger it is thus recommended that Nedlands:

- identify and emphasize issues of efficacy in their communication, for example through:
 - highlighting the strengths of the staff and the organisation which could contribute to successful change;
 - highlighting previous successful organisational change initiatives;
 - acknowledging organisational and staff weaknesses and outlining strategies to respond to these;
- prepare and implement a communication plan as a matter of urgency;
- prepare and implement a 'Human Resource and Change Management Plan', as recommended and in terms of the guidelines developed by the Western Australia Department of Local Government and incorporate the active participation of employees as part of the plan;

- recognise the additional work that the implementation of a merger may mean for employees and develop strategies to address this.

4.6 Valence

One of the key dimensions of employee readiness for change is *valence*. It is vital for employees to know that there will be benefits to implementing the change (Armenakis *et al.*, 1993: 684; Armenakis & Harris, 2002: 170; Chreim, 2006: 317; Neves, 2009: 217; Self, 2007: 12; Walker *et al.*, 2007: 763). An important component of valence is fairness and justice. Employees need to know that they are being treated fairly and that there is a fair division of positive and negative effects of the change (Armenakis *et al.*, 1999: 104). Armenakis and Harris (2002: 171) claim that ‘if an individual’s self-interest is threatened a proposed change will likely be resisted’. The valence component of the change message needs to address these issues.

Consideration will now be given to the communicated and perceived valence. In this section the perception of potential benefits, negative impacts and the fair treatment of employees as a consequence of local government reform will be explored.

4.6.1 Valence - Nedlands Documentation

The Western Australia Department of Local Government reform communication (See Annexure A) deals with valence issues in its reflections on employee job security and through its guidelines for the preparation of a local government ‘Human Resource and Change Management Plan’. The guidelines identify: stress, changes in roles and responsibilities, changes in conditions of service, changes in colleagues and workplace, transfer or redeployment and redundancy as some of the possible impacts of local government reform on employees (WA DLG, 2010e: 2, 8, 11). A number of the recommendations in the guidelines encourage the fair treatment of local government employees (WA DLG, 2010e: 1-11). These guidelines recommend that local governments include the following in their planning:

- ongoing planned communication, including communication regarding job security;
- identification, assessment, standardization and engagement regarding employee contracts and agreements;
- the application of natural justice principles and procedural fairness in the transfer of employees to new roles;
- preparation of a clear consistent redeployment policy and processes;
- establishment of a voluntary separation process;
- fair remuneration of those losing positions during amalgamation (WA DLG, 2010e: 2-10).

In the Local Government Reform Steering Committee Bulletins 1 and 3 of 2009, ‘job security’ of local government employees is discussed (LG Reform SC, 2009a: 1; LG Reform SC 2009c: 1). In Bulletin 3 of 2009 it is noted that with respect to the ‘important matter of employee protection’, legal advice was being sought to clarify the position of ‘various employment scenarios of local government employees’ in terms of the Local Government Act of 1995 (LG Reform SC, 2009a: 1; LG Reform SC 2009c: 1). This suggests that local government employees, who do not have permanent positions but are on contracts, may not be entitled to the same benefits as permanent employees in the event of an amalgamation.

As previously noted, the Nedlands reform documentation focuses on structural change and communicating the technicalities of the Nedlands/Subiaco Regional Transition Group process. These documents do not address employee valence related to local government reform.

4.6.2 Valence – Management Perspective

4.6.2.1 Potential Benefits and Negative Impacts

Many of the Nedlands managers recognised the potential for personal benefit:

‘the positives would be getting to work with new people and new ideas’ (Interviewee 1); ‘the potential positive impact is a new and varied job’(Interviewee 2); ‘there could be potential for career advancement’(

Interviewee 3); ‘there are some potentials...a larger, different entity, a few more staff’(Interviewee 5); ‘on the positive side, you could end up in a new role, you could end up in a new team with some new team members, with some slightly different responsibilities’(Interviewee 9); ‘the benefit is that I could end up focussing only on one area and try to do a good job as opposed to spreading myself thinly’ (Interviewee 9);‘...I think it will be a real challenge and rising to the challenge and making it work will be very interesting’ (Interviewee 8).

Despite the potential benefits, however, job security was a major concern:

‘from a personal view there is that thing of job security’(Interviewee 1); ‘the negative possibility, always, is not getting a job’ (Interviewee 2); ‘it’s a pyramid, the number of CEO’s goes down by half...there will be somewhat fewer directors and there will be somewhat fewer managers...of course its not a welcome possibility’ (Interviewee 2); ‘obviously I could be out of a job...with my role you generally don’t need two people at the same level doing the same job’ (Interviewee 4); ‘The negative is I could end up not having a job – that is the worst case scenario’(Interviewee 9); ‘the potential negative is...that you are not still employed, that you are not needed...either I lose my position or my position is downgraded’ (Interviewee 10).

Other potential negative impacts included having to re-apply and compete for jobs, job reshuffles, job downgrades and changes in work colleagues:

‘...I will have to apply for my own job...but then the other question is who does the interviewing, who does the selecting, who makes the decisions about who stays and who goes...’(Interviewee 9); ‘there is going to be an issue where there are two managers, one from each organisation, who are going for the same job...there’s going to be conflict there’ (Interviewee 3); ‘there may be a re-shuffle’ (Interviewee 8); ‘my position could change’ (Interviewee 10); ‘...who do you work with and who is your immediate manager or supervisor?’ (Interviewee 9).

From the above responses, there is clearly a great deal of uncertainty. This uncertainty could have many unintended consequences for the organisation, including staff resignations:

‘we may lose people who say ‘oh gee I am facing amalgamation, I’ll be competing for my job all over again, I might just go and apply for that job that’s advertised now’’(Interviewee 2); ‘...if it looked like the cards were falling and I was going to be dispensable, well I would look elsewhere...’ (Interviewee 5); ‘...I might move out...’ (Interviewee 7); ‘...your work is your work, but if the surroundings don’t fit, then you can’t stay...so potentially some people may jump ship beforehand, so you could lose some good staff and ...you could end up with some not such good staff...’(Interviewee 9).

4.6.2.2 Fair Treatment

In terms of being treated fairly, all the managers cited the reassurance, given by the Chief Executive Officer, that all the staff would be guaranteed employment for two years following the merger. ‘The CEO has kept us well informed and has told us that if amalgamation goes ahead, which I believe it will, all staff are guaranteed their jobs for two years...’ (Interviewee 2). Some of the staff found this reassuring:

‘I think that’s reasonable’ (Interviewee 2); ‘I’ll be comfortable with a two year guarantee’ (Interviewee 1); ‘...there are securities associated with being made redundant, after the amalgamation process. That goes someway to dispelling your immediate concerns of not having an income and having to look after the family’ (Interviewee 4).

Some, however, were not convinced that this guarantee applied to the managers, who were employed on contract:

‘I know initially they were saying...when the merger commenced positions would be guaranteed for two years, but then I was told that did not apply to managers, which I am a little bit nervous about...’ (Interviewee 6); ‘they do continually say that most positions will be safe for a couple of years, although...I’m not convinced that that will be the case...it is not quite clear

in terms of managers...’ (Interviewee 10); ‘someone said everyone will be honoured for two years on their contract, from a legal point of view I am not sure that is strictly true, because when your contract expires, it expires...’(Interviewee 5).

4.6.3 Valence – Discussion and Management Recommendations

While managers have identified positive personal impacts of the merger, their greatest concern is the potential impact on future job security. Their responses also reflect a great deal of uncertainty about the future. Terry and Jimmieson (2003: 92) maintain that the psychological state of uncertainty is one of the most frequent responses to organisational change. This uncertainty and all that it entails often leads to a range of unintended consequences for the organisation, such as staff resignations lowered employee morale resulting in diminished commitment and ultimately impacting on the delivery of services to the community (Bamford & Daniel, 2005: 391; Michalenko, 2010: 285; Seijts & Roberts, 2011: 191; Self & Schraeder, 2009: 168, Terry & Jimmieson, 2003: 92).

The South Australian study found similar negatives, noting that in ‘some councils, fear, uncertainty and feelings of job insecurity have risen for significant numbers of employees due to changes arising from council amalgamations’ (Pocock *et al.*, 2001: 11). Furthermore ‘many local government workers list job insecurity as one of the major factors affecting their commitment and productivity at work’ (Pocock *et al.*, 2001: 26). An enquiry into the impact of amalgamations in New South Wales also described a range of negative consequences for local government employees: ‘the impact over the past several years has been job losses, heavier workloads, loss of morale, and the growth in less secure types of employment...’ (Legislative Council, 2003: 83).

Whilst the Nedlands reform communication does not reflect on employee valence, some re-assurance regarding job security has been given by the Nedlands Chief Executive Officer at post-council briefings. As has been mentioned, however, there is some confusion about the application of the post merger two year guarantee of

employment. This uncertainty is reflected in the comments of the managers and in this excerpt from the Local Government Reform Steering Committee Bulletin number 3:

The important matter of employee protection was raised as an area for further review. The Department is currently seeking comprehensive legal advice to clarify...the various employment scenarios of local government employees (LG Reform SC, 2009c: 2).

In attempting to ready employees for local government reform and in particular for the potential merger, it is recommended that Nedlands local government:

- engage the Western Australia Department of Local Government in order to clarify the position of contract employees post merger and communicate the outcome to employees;
- identify and emphasize some of the positive benefits of local government reform and a merger for employees and provide reassurance regarding their fair treatment should the merger proceed;
- prepare and implement a 'Human Resource and Change Management Plan' as recommended by the Western Australia Department of Local Government.

4.7 Conclusion

The five dimensions of readiness for change, namely, discrepancy, appropriateness, principal support, efficacy and valence have been used to view the readiness message communicated in the Nedlands local government reform communication. These dimensions have also been used to analyse the readiness of the Nedlands employees for local government reform. A number of recommendations have been made to strengthen the change readiness message communicated by the Nedlands local government and to support the development of the Nedlands employees' readiness for change.

CHAPTER 5: CONCLUSION

5.1 Introduction and Overview

The context of this research has been the Western Australian State Government's local government reform programme, initiated in February 2009. The Nedlands local government resolved to participate in local government reform in March 2010 and signed a Regional Transition Group Agreement with Subiaco local government in August 2010. The purpose of the Regional Transition Group was to prepare a business plan to investigate the potential benefits and viability of a Nedlands and Subiaco amalgamation. While the business plan focuses on the technical issues, the focus of this research was on the equally important human side of local government reform. From the perspective of change readiness, this research has analysed the documentation communicating local government reform at Nedlands, and from the perspective of the Nedlands' managers, has attempted to ascertain their level of readiness for the change and the readiness amongst the employees of Nedlands local government. The supporting objectives of the research were to:

- assess the readiness of the Nedlands employees for local government reform;
- analyse the change readiness content of the Nedlands local government reform communication;
- make recommendations to enhance employee readiness for local government reform and to enhance readiness for change communication at Nedlands local government.

The *readiness* dimensions - *discrepancy*, *appropriateness*, *principal support*, *efficacy* and *valence* – provided the lens for the analysis and also provided the framework for the recommendations. The findings and the management recommendations are set out in chapter four and will not be repeated here. However, three over-arching aspects of readiness for change will be highlighted in the following paragraphs: consciously readying employees for change, the importance of active participation and the importance of leadership leading by example.

5.2 Readiness for Change – Some Over-arching Aspects

From the research it is apparent that Nedlands local government has not consciously planned to ready employees for local government reform. This is reflected in the limited readiness content of their local government reform communication. This unconscious approach to readying employees for change may be indicative of Nedlands being at the very early stages of local government reform and not yet being fully committed to a merger with Subiaco or to local government reform in general. The value of developing employee readiness for change, early in the change process has, however, been highlighted (Self & Schraeder, 2009: 171). This unconscious approach may also be due to the tendency of organisations, particularly public sector organisations, to focus on the technical, operational and procedural aspects of change and give limited attention to the more intangible human aspects of change (Trader-Leigh, 2002: 138, 140). Michalenko (2010: 285) notes that most mergers ‘are driven by leadership that has a unique perspective on the corporation’s strategic goals...but sometimes fail to factor in the merger’s impact on people and their performance’. Seijts and Roberts’ (2011: 191) comment that ‘a likely reason why deep and comprehensive change efforts fail is that senior managers tend to focus their attention exclusively on the macro-level organisational issues... and do not devote enough attention to individual-level variables’. However, Armenakis *et al.* (1999: 107) cautions that regardless of intention, a readiness message is communicated to employees: ‘everything a change agent says (or does not say) and does (or does not do) can reinforce (or contradict) the change message’. Hence Todnem’s (2007: 8) insightful view that there are only two approaches to organisational change management – ‘the conscious and the unconscious’. It is thus proposed that Nedlands follows a conscious approach and actively ready their employees for change and local government reform through the implementation of the management recommendations set out in Chapter Four.

These recommendations incorporate various communication strategies – direct communication, the management of information, active participation and implicit or non-verbal communication. Whilst all of these strategies are important communication strategies, two of these - active participation and implicit or non-

verbal communication - are especially powerful for developing employee readiness for change.

Active participation, learning through personal experience and in particular participation in change processes and decisions about change, is especially valuable. Through active participation employees gain a greater understanding of the problems facing the organisation (discrepancy) and the appropriateness of the strategies selected to address the problem. Furthermore, it can increase confidence in their ability to cope with change (efficacy) through engendering a sense of ownership and a feeling of control. Through active participation employees may be able to observe the support of their principals, see the commitment of other staff members and finally are more likely to perceive outcomes as fair (valence) (Armenakis *et al.*, 1993: 684-686; Chreim 2006: 317). In research into the outcomes of local government reforms in South Australia, the most frequent comments from employees related to consultation or more specifically, a lack thereof and having some kind of say and influence in the process (Pocock *et al.*, 2001: 9). Employees wanted to be 'consulted in a genuine way – rather than consulted after the decision', as they felt they had knowledge which would assist the process (Pocock *et al.*, 2001: 61). A similar sentiment was expressed by one of the Nedlands' managers: 'have us become more involved' (Interviewee 3).

Implicit or non-verbal communication of the organisational leadership is just as important in engendering readiness amongst employees. Cinite *et al.* (2009: 274) notes that public sector employees take cues from the organisational leadership, who are seen to 'embody the organisation's values around change'. The effectiveness of any communication strategy ultimately 'depends on the expertise, trustworthiness, credibility and sincerity of the change agent' (Todnem, 2007: 6). In the words of one of the Nedlands managers, 'the more senior management...need to walk the talk...and make sure that they are inspiring confidence...' (Interviewee 6).

5.3 Research Limitations and Further Research

Due to time and accessibility constraints this research only focused on the perspective of the Nedlands managers. Organisations are complex systems and employee attitudes will vary depending on the organisational levels, work unit and the individuals involved (Holt *et al.*, 2007: 328). This research would be enhanced if the perspective of other levels of Nedlands employees were included in further research. In addition, in view of the current investigation to merge with Subiaco, research should be extended to include employees at Subiaco local government. If the merger proceeds the employees at both institutions will need to be ready for local government reform to ensure a greater chance of successful change. It is thus recommended that future research on employee change readiness be extended to incorporate the perspective of different levels of employees and employees at Subiaco.

5.4 Conclusion

Despite these limitations this research has value. This research has highlighted the potential impact of change on employees, the important contribution of employees towards successful change, the value of employee readiness for change and the necessity for organisations to consciously ready employees for change. On this basis and from the perspective of the Nedlands managers, their readiness and the readiness of employees for local government reform and the change readiness content of the Nedlands reform communication was assessed. Recommendations to enhance employee readiness for local government reform and to enhance readiness for change communication at Nedlands local government were then made. This research not only has value for Nedlands, but the insights gained also offer lessons for other local governments in Western Australia who are part of the State's local government reform programme. This is particularly so given the increasing pressure on local governments to reform and to amalgamate (LG Minister, 2011b: 1).

Despite organisational change being a 'messy business' and its management complex and challenging, successful organisational change is achievable (Bamford & Daniel, 2005: 405). A critical factor in achieving this success is consciously readying employees for change early in the change process.

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ANNEXURE A

List of Western Australia Department of Local Government Local Government Reform Communication: February 2009 – April 2011

Date	Title	Discrepancy (i) rationale	Discrepancy (ii) merger	Discrepancy (ii) capacity	Appropriateness	Principal Support	Valence	Efficacy
4 Feb 2009	Media Statement: LG reform strategies announced	✓		✓	✓	✓		
9 Feb 2009	Media Statement: LG reform – the way forward					✓		
19 Feb 2009	SC Bulletin 1 – 2009	✓	✓	✓	✓	✓	✓	
27 Feb 2009	SC Bulletin 2 – 2009	✓	✓	✓	✓	✓		
2 Mar 2009	Media Statement: LG Structural Reform Guidelines	✓	✓		✓	✓		
30 Mar 2009	Dept Circular: Funding assistance for LG Reform					✓		
9 April 2009	SC Bulletin 3 – 2009		✓			✓	✓	
20 April 2009	Ministerial Circulars: LG Reform Steering checklist		✓	✓		✓		
30 April 2009	Media Statement: LG checklist due today		✓			✓		
1 May 2009	Media Statement: Strong response to call for LG reform checklists					✓		
12 May 2009	SC Bulletin 4 – 2009			✓		✓		
8 June 2009	Ministerial Circulars: LG Reform Update		✓			✓		
9 June 2009	SC Bulletin 5 – 2009		✓			✓		
13 July 2009	SC Bulletin 6 – 2009	✓	✓		✓	✓		
11 Aug 2009	SC Bulletin 7 – 2009					✓		
18 Aug 2009	Ministerial Circulars: Changes to LG reform submissions deadline and LG Voting System					✓		
18 Sept 2009	Media Statement: Four shires agree to amalgamate	✓	✓	✓	✓	✓		
1 Oct 2009	Media Statement: Strong response to LG reform submissions	✓			✓	✓		
8 Oct 2009	Ministerial Circulars: Strong Response to LG Reform Submissions					✓		
27 Oct 2009	Ministerial Circulars: Update LG Reform	✓	✓		✓			
7 Dec 2009	Ministerial Circulars: Interim Analysis – LG Submissions		✓			✓		
7 Dec 2009	Media Statement: Minister outlines new regional groupings for WA's local government sector	✓	✓		✓	✓		
18 Dec 2009	Dept Circular: LG Reform Agenda					✓		
9 Feb 2010	Minister Castrilli's speech to WALGA	✓	✓		✓	✓	✓	
9 Feb 2010	Media Statement: LG reform on track	✓	✓		✓	✓		
25 Mar 2010	SC Bulletin 1 – 2010					✓		
5 May 2010	Media Statement: New local government mergers securing viable communities		✓	✓		✓		
11 May 2010	Ministerial Circulars: LG Reform Update		✓			✓		
17 May 2010	SC Bulletin 2 – 2010	✓	✓	✓	✓	✓		
20 May 2010	Media Statement: State Budget 2010-11: Working together for LG reform		✓	✓		✓		
25 June 2010	Ministerial Circulars: LG Reform Implementation Committee					✓		
30 June 2010	Media Statement: Minister welcomes city of Subiaco		✓			✓		

Date	Title	Discrepancy (i) rationale	Discrepancy (ii) merger	Discrepancy (ii) capacity	Appropriateness	Principal Support	Valence	Efficacy
	decision to progress reform							
9 July 2010	Reform Bulletin 3 – 2010	✓	✓	✓		✓		
27 July 2010	Reform Bulletin 4 – 2010	✓	✓		✓	✓		
10 Aug 2010	Media Statement: More LG's sign reform agreements		✓			✓		
Sept 2010	Reform Bulletin 5 – 2010	✓	✓	✓	✓	✓	✓	
2 Sept 2010	Media Statement: Kimberly shire sign collaborative agreement		✓			✓		
16 Sept 2010	Media Statement: Report says LG Reform critical	✓	✓	✓	✓	✓		
16 Sept 2010	Ministerial Circulars: LG Reform SC Report Released	✓	✓	✓	✓	✓		
21 Oct 2010	Media Statement: Planning for the future of LG	✓		✓	✓	✓		
22 Oct 2010	Media Statement: LG reform forum a success	✓		✓	✓	✓		
Nov 2010	Reform Bulletin 6 – 2010		✓	✓		✓		
2 Dec 2010	Ministerial Circulars: New Resources – Human Resources and Change Management Plan			✓		✓	✓	✓
2 Dec 2010	Ministerial Circulars: December Update 2010	✓	✓	✓	✓	✓	✓	✓
14 Jan 2011	Media Statement: Mid-West mergers recommended	✓			✓	✓		
Feb 2011	Reform Bulletin 7 – 2011		✓	✓		✓	✓	✓
Mar2011	Reform Bulletin 8 – 2011		✓	✓		✓		
✓	indicates reference to readiness dimension, but does not reflect extent of data							

**WA LOCAL GOVERNMENT REFORM
INTERVIEW QUESTIONS: CHANGE READINESS**

The possible merger of Nedlands and Subiaco is at the preliminary investigative stage. You are kindly requested to consider these questions and explain your perceptions at this specific time. It is recognised that your views may change as the process unfolds and more information becomes available.

Please note you do not need to respond to these questions in writing, rather the questions will form the substance of discussions at the interview.

QUESTIONS:

FOCUS AREA 1: DISCREPANCY – IS LOCAL GOVERNMENT REFORM NECESSARY:

1. What is the purpose of local government reform in the Perth Metropolitan area?
2. How will a 'reformed' local government be different to the current local government?
3. What are the benefits and/ or drawbacks of local government reform?

FOCUS AREA 2: APPROPRIATENESS – IS THE MERGER OF SUBIACO & NEDLANDS AN APPROPRIATE RESPONSE TO LOCAL GOVERNMENT REFORM:

4. What are the benefits and/ or drawbacks of the proposed merger of Subiaco and Nedlands?
5. The merger has been proposed as a response to the need for Local Government Reform. How appropriate is this response or are there other more appropriate alternatives? Please motivate your answer.

FOCUS AREA 3: PRINCIPAL SUPPORT – DO SENIOR MANAGERS SUPPORT THE MERGER:

6. What has the role of senior management been thus far regarding the possible merger?
7. What are your perceptions of how senior management view or approach the possible merger? Please motivate your views.
8. How have you been engaged by senior management regarding the possible merger?

FOCUS AREA 4: VALENCE – WHAT IS THE POSSIBLE PERSONAL IMPACT OF THE MERGER:

9. What do you think the impact of the merger will be on you personally? Describe possible positive and/ or negative impacts that you think it may potentially have.

FOCUS AREA 5: EFFICACY – DO I/WE HAVE THE ABILITY TO SUCCESSFULLY IMPLEMENT THE CHANGE:

ORGANISATION:

10. How has the organisation dealt with change in the past? Describe its strengths and weaknesses.
11. Which factors about the organization give you confidence that the organisation can successfully implement the merger? Conversely, which factors about the organization reduce your confidence in the organisation to successfully implement the merger?

INDIVIDUAL:

12. Describe your traits, qualities, skills or experience that would assist you to successfully cope with the proposed merger. Conversely, describe factors that may impede your ability to successfully cope with the proposed merger.
13. What could the organisation do and how could the organisation help you to adapt to the proposed change?

FOCUS AREA 6: CHANGE COMMUNICATION:

LOCAL GOVERNMENT REFORM:

14. How have you been engaged by the organisation and the Department of Local Government regarding 'Local Government Reform'?
15. What aspects/ issues have been communicated regarding 'Local Government Reform'?
16. What are the most important issues that should be addressed in the communication about 'Local Government Reform'? In your view have these been addressed adequately?

PROPOSED MERGER OF NEDLANDS & SUBIACO:

17. How have you been engaged by the organisation regarding the potential merger of Nedlands and Subiaco?
18. What issues have been communicated regarding the potential merger of Nedlands and Subiaco?
19. What are the most important issues that should be addressed in the communication about the merger of Nedlands and Subiaco? In your view have these been addressed adequately?

Please note your anonymity is guaranteed and your personal details will not be divulged.

Thank you

Vicky van Heerden