MANAGEMENT OF CHANGE

IN A LARGE SEMI-GOVERNMENT ORGANISATION

WITH IMPLICATIONS FOR MANAGEMENT TRAINING

BY

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Daryl Peebles,
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ABSTRACT

In July 1983, the then Australian Broadcasting Commission embarked on a massive organisational change process. Cosmetic changes included a name change. The new Australian Broadcasting Corporation attempted to address many deficiencies recognised and recorded by Mr Alex Dix, Chairman of a Committee of Review which reported to Federal Parliament in May 1981.

The first Managing Director of the restructured A.B.C., Mr Geoffrey Whitehead was appointed on 31st October, 1983. Then followed three turbulent years during which time many of the changes envisaged did not occur. Some did occur, but not without organisational trauma and others were implemented relatively successfully.

Mr Whitehead’s premature resignation from the organisation in December 1986, defined a specific period in which to focus an analysis of the Australian Broadcasting Corporation’s attempt at organisational change.

This study explores contemporary texts on the management of organisational change. From the theories emerging, a framework for the successful management of change is developed. This framework is presented in the form of a questionnaire and then applied to the Australian Broadcasting Corporation’s change experiences. The changes attempted by that organisation are analysed to determine their compliance with contemporary change-management theories.

The study then examines the use of training during the change process and makes some observations on the implications for training during organisational change.

The conclusion of the dissertation indicates that a large number of the guidelines for successful organisational change emerging from the literature, were not observed during the ABC experience. This may validate the suggestion that the ABC’s attempt at change was unsuccessful.
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CHAPTER 1

THE CHALLENGE OF CHANGE IN LARGE ORGANISATIONS

Change in organisations is inevitable. Organisations which do not change, do not survive. The reasons for organisational change are many and varied but basically can be categorised as being either internal or external. Internal reasons for change include perceived opportunities, creativeness or simply choice. Changes in legislation, laws, regulations, the environment, competition or consumer demands are examples of external change factors.

Numerous organisations have recognised the need for and attempted to achieve change yet have not survived. Studies on such organisations are plentiful, with some publications attracting sufficient public interest to rate a "best-seller" status. An example of such a book, based on Australian experiences, is "When the Luck Runs Out", written by Frederick G. Hilmer. This book has been described as the Australian version of the American best-seller "In Search of Excellence: Lessons from America's Best Run Companies", written by T. J. Peters and R. J. Waterman Jnr.

Neither of these books dwell on why organisations fail. They do, however, exemplify failures by comparison with successes. They take the positive approach of focusing on successful organisations and examining what these organisations are doing right!

Alvin Toffler's "The Adaptive Corporation" examines changes within the American Telephone and Telegraph Company (AT&T), the world's largest corporation. Lessons are drawn from the management of a decade of radical change within AT&T.

Invariably, experiences in successful organisations such as those reported in the three books mentioned do not stop at merely recognising the need for change and attempting that
change in a sudden, reactive way. The "success stories" are studies in how these organisations go about effecting the changes they recognise as being essential to their survival. This "management of change" is the differentiating factor between organisational survival and organisational obscurity.

"The Challenge of Change" was the topic of the 1972 Boyer Lecture. During this lecture, Professor Dexter Dunphy (1972, 29) commented,

Responsibility for change begins with an active awareness of our potential and a willingness to choose to change and grow. The easy alternative is to take refuge in the false security of routines and responses chosen for their familiarity rather than their relation to a changed reality. Social change offers increased alternatives for personal fulfillment. But too often we react in fear, either clutching the familiar or seizing the novel, without assessing the relative worth of either for our emerging maturity. We can only contribute effectively and responsibly to social change if we are ourselves confident and changing. Ultimately, the only way to understand the future is to have the courage to begin to live it.

It is ironical that Dunphy's lecture was broadcast and published in 1972, by the Australian Broadcasting Commission. The ABC itself could be found guilty of taking "refuge in the false security of routines and responses chosen for their familiarity rather than their relation to a changed reality".
The purpose of this dissertation is to "investigate the management of change in a large semi-government organisation". It uses the Australian Broadcasting Corporation as the studied model for reasons discussed later in this chapter. It examines the practical experiences of the ABC in the light of contemporary theories on the management of organisational change.

The focus of this dissertation is on the use of training as an effective tool to achieve successful organisational change. Although no more or no less important than any of the other change strategies examined, it is felt that training is underrated in contemporary literature on change management. This dissertation attempts to redress that. It may be that "training" is implicit within all the other identified change strategies, but by focusing on this aspect of the change process it emerges as an equally important consideration.

THE CONTEXT

The Australian Broadcasting Corporation is an organisation which has been subjected to a number of dramatic changes over many years and certainly fits the title of being a "large semi-government organisation". It is a well known statutory authority and as its product is so public, it is felt that the changes investigated herein may at least be familiar to the reader.

The Australian Broadcasting Commission was created as a statutory body by Act of Parliament in 1932. It operated under the ABC Bill of 1932 and subsequently the Broadcasting and Television Act of 1942. Under these acts the ABC was required to "broadcast from the national broadcasting stations adequate and comprehensive programmes" and to
take in the interests of the community all such measures as in the opinion of the Commission are conducive to the full development of suitable broadcast programmes.

Obviously, the organisation has changed considerably since 1932. On the 1st July 1932, there were eight city and four country radio stations providing ABC services to 370,000 licensed listeners. Today the same organisation can reach all Australians and overseas listeners from one or more of 157 radio stations. It has 10 television stations with studios, 74 regional television transmitters without studios and 206 television translators fed either directly off-air, via microwave bearers or via satellite. It now boasts six symphony orchestras and a marketing network with an annual turnover of $6.4 million.

A significant change, responding to one of the many external change forces cited earlier, was the introduction of television. This major event in the ABC merely "appeared to happen". The television staffing structures emerged from within existing structures. The existing radio programming, engineering and news departments simply continued with a new appendage; television. Some years later this failure to properly manage such a significant change, was to cause many organisational problems.

Dr. Clement Semmler, a former Deputy General Manager of the ABC, devoted a chapter of his book "The ABC — Aunt Sally and Sacred Cow" to changes within and the growth of the organisation. The title of that chapter was "Growing up like Topsy", a title which suggests some form of growth without control. Later in his book, Semmler (1981, 194) recognises the errors made during the introduction of television and suggests "that there should be an Australian Radio Commission and an Australian Television Commission".
His suggestion was reflected in the report from a Committee of Review of the ABC known as the Dix Committee (after its Chairman, Mr Alex Dix). The Dix Committee reported to Federal Parliament in May 1981 after a major enquiry into the ABC. From this report, the most significant organisational change for the ABC emerged. It resulted in a new Act of Parliament, the Australian Broadcasting Corporation Act of 1983, a new name for the organisation, and a new organisational structure.

Whilst Semmler's suggestion of two discrete commissions for radio and television was not adopted completely, the change to the structure of the organisation included a "media split" which addressed many of the problems previously recognised.

In an ABC Corporate Relations Department publication entitled "ABC achievement and the implementation of Dix 1983–1985" some of the benefits are discussed. These included an individual costing of radio and television programmes for the first time and being

freed of television news commitments by the 'media-split' decision, radio journalists [can now] concentrate on radio skills and develop new expertise in 'chat journalism'.

The Dix Committee made 273 specific recommendations, some of which resulted in legislative action and the formulation of the Australian Broadcasting Corporation Act of 1983. The remaining 226 recommendations were passed on to the ABC Board and Management for implementation. Many of the recommendations required little action or change to implement them. Others involved significant changes.
The primary aim of this dissertation is to study the ABC's management of the changes instigated by the Dix recommendations. This will be analysed against criteria identified from the contemporary literature available on the management of change. It is of major concern that the public perception of the ABC has not been enhanced by the recent changes to the organisation. The reader need only refer to copies of reputable newspapers and magazines published since the birth of the changed Australian Broadcasting Corporation, to be confronted with a multitude of "ABC bashes and canings". One could count the positive, supportive or complimentary articles on one hand.

It could be argued that ABC bashing is fashionable or that such journalism is understandable in that it is one media organisation "having a go" at another. Surely, however, not all other media organisations can be accused of such a bias. The "reputable newspapers and magazines" referred to, include "The National Times", "The Bulletin" and "The Australian", mostly noted for their objectivity. If they are truly reflecting the public perception of the ABC, then this must be of great concern to that organisation.

Assuming that Dix's recommendations were sound and appropriate steps for the ABC to take, then the question is not one of the changes per se, but of their implementation. It becomes a question of the management of change.

Obviously, further changes within the organisation are inevitable. A major aim of this dissertation is to identify change management strategies and to assess the ABC's performance within these strategies thus far. By recognising detected failures in some strategies, the management of future changes within the ABC (and other large semi-government organisations) may be more effective.

Planning for this dissertation was done primarily via a literature search focusing on contemporary organisational change theories and specifically change in broadcasting organisations.
Very little print material exists which specifically relates to the recent past of the A.B.C. Much of the material presented which discusses recent change attempts by the A.B.C. was sourced from memoranda or the A.B.C. in-house journal, "Scan."

ORGANISATION OF DISSERTATION

The chapters which follow develop a framework for assessing the effective management of organisational change and then uses this framework to assess the efforts made at changing the ABC.

Chapter Two contains a review of contemporary literature dealing with the management of change in large organisations. It is within this chapter that the framework for analysis is established.

The ABC experience is detailed in Chapter Three, examining that organisation from an historical perspective but predominantly focussing on more recent events. Using the framework established within Chapter Two, this chapter attempts to analyse the management of the changes which occurred within the A.B.C. during the period studied.

The final chapter draws some conclusions from the analysis of the ABC experience, and makes some recommendations, with the primary focus being the use of effective staff and management training although a number of change management strategies are identified.
CHAPTER 2

MANAGEMENT OF CHANGE: A REVIEW OF LITERATURE

Change has been identified as one of the dominant influences in the life of an organisation. Owens and Steinhoff (1976, 21) emphasised its pervasiveness, its rapid pace, its effect on traditional practices, ethics, beliefs and behaviours. Further, Owens and Steinhoff (ibid) differentiated between relatively superficial adaptations and fundamental change. Such differentiation is of significance in this dissertation. They referred to fundamental changes within an organisation, as "organisational changes" and reported that this term is used:

when referring to an alteration of the existing state of more than one of the following aspects of the organisation:

(1) its task
(2) its structure
(3) its technology, or
(4) its people

They further commented that,

contemporary concepts of organisational change include a significant element of deliberateness that involves planning, direction and control of the attempt to bring about fundamental alteration of the organisation.

This chapter addresses the area of major organisational change, as defined by Owens and Steinhoff and in particular the effective management of such change.

Toffler's book "The Adaptive Corporation" commences with
a chapter entitled "The Museum of Corporate Dinosaurs". The analogy is obvious. It details why organisations must change and is convincing in its argument as to the consequences of not changing. When discussing reasons for change, Toffler (1985, 14) wrote,

Big organisations, as a rule, only change significantly when certain preconditions are met. First, there must be enormous external pressures. Second, there must be people inside who are strongly dissatisfied with the existing order. And third, there must be a coherent alternative embodied in a plan, a model, or a vision.

These may not be of equal weight, and they may not be sufficient, but they are necessary.

Toffler (ibid) also categorised the change forces into "internal and external pressures", but suggested that purely internal pressures seldom bring a fundamental restructuring. For that to occur, he argued, it usually takes a powerful convergence of inside and outside factors.

Having made the assumption that organisations must change in order to survive, the remainder of this chapter examines the process of organisational change and the management of that change. For convenience and clarity, the chapter is subdivided into five sections, respectively titled:

Change Strategies
The Corporate Plan - A Plan For Change
Organisational Culture and Change
Organisational Development and Industrial Democracy
Leadership and Change
Change Strategies

There exists a plethora of literature attempting to identify and classify the many ways of achieving organisational change. Some are reviewed in this chapter. The Katz and Kahn Social System Approach, reported by Owens and Steinhoff (1976, 65), identifies seven methods or strategies for bringing about organisational change. These are:

1. Information

The provision of information, especially when coupled with other change strategies, motivates people to adopt new ways. This strategy is of more use in changing individuals and not an entire organisation system.

2. Individual counseling and therapy

Again, this strategy aims at helping an individual realise a predetermined potential or goal. It is not focused on the organisational system as a target for change.

3. Influence on the peer group

The premise for this change strategy is the belief that members of an organisation who are encouraged to discuss problems and participate in important decisions are more committed to the changes occurring. Thus the changes are adopted more quickly and thoroughly and the retention of the changes is more assured. Owens and Steinhoff (1976, 66) warn, however, that the mere attempt to involve organisational participants in the decision making process is not enough to guarantee the successful implementation of the identified changes. They state that,
there are a number of subtle factors that affect the outcome of peer group involvement as a strategy for organisational change.

Amongst these factors is an acknowledgment of the groups' existing norms and standards, the necessity to involve the group as a whole and the need for the change to be presented as an "action decision".

4. Sensitivity training

The target for sensitivity training as a change strategy was originally an individual and not an organisation. Basically it dealt with redressing problems in an individual's personal and interpersonal skills. More recently, however, its value to organisational groups has increased rapidly, predominantly as a result of intensive experimentation.

Group dimensions and interactions within bureaucracies have been targeted using Sensitivity Training with some positive results in assisting change processes.

5. Group therapy within organisations

This could be best considered as an extension of the previous strategy, Sensitivity Training. It recognised the conflict between an individual's motivation and the organisation's needs and the consequential effect of this difference on the change process. It is specifically helpful in understanding and overcoming an individual's or group's resistance to change.
6. **Data Feedback**

Stated more simply, this strategy is concerned with communication. Owens and Steinhoff (1976, 68) state,

> Improving the organisation's use of feedback on its functioning can lead to basic changes in the organisation.

7. **Systematic Change**

This strategy combines some elements of the previous six strategies. It suggests a direct manipulation of significant organisational variables. It is also referred to as Structural Change and emphasises achieving changes in the organisational behaviour of individuals by re-arranging the organisational structure.

What Katz and Kahn have identified in their Social Systems Approach, are seven ascending and often overlapping considerations for managing an organisational change. Taking a "wider view" of organisational change reveals that much of what Katz and Kahn have recorded could be condensed into three major change strategies or tools, namely Training, Group Dynamics and Communication. These will be referred to later in this chapter.

Havelock (1973, 154) has classified nearly all of the change strategies under three distinctive "strategic orientations". The reader should be aware that Havelock's "strategic orientations" will build on the three strategies synthesised from Katz and Kahn's work. They should not be confused.
The three major "strategic orientations" identified by Havelock are:

1. **The problem-solving strategy orientation**

   Here, organisational change can be regarded as the result of the process by which an organisation rectifies its problems. Basically, it suggests that an organisation recognises a need for change, translates that need into a problem statement, then proceeds with some form of problem solving involving a search for ideas, the selection of a solution, a trial of the innovation and an evaluation phase.

2. **The social-interaction orientation**

   This strategic orientation emphasises the process by which innovations spread through a social system. An investigation of this orientation reveals that it is concerned with communication.

3. **Research, Development and Diffusion Orientation**

   This is the strategy for innovation, widely used in industry. The "strategy orientation" identified by Havelock is described by Owens and Steinhoff (1976, 80) as a rational, orderly sequence of events from the "birth" of an innovation to its widespread, popular use. In organisational terms, it refers to a recognition of the need to change, (from either internal or external pressures, or both) to the widespread organisational acceptance of the change which has occurred.

   Schein and Bennis (1965, 3) reported on their experiments leading to a better understanding of "personal learning and organisational change". Unlike Katz and Kahn, they assumed from the start of their study, that there are two "target systems" - the individual and the organisation. They introduced their book by explaining to the reader that it is,
Written for all those individuals who are interested in the complicated social and psychological processes of human learning and change and for all those individuals interested in controlling the outcomes of these change processes.

The Schein and Bennis study focused on the use of "laboratory training" to develop their theory of personal and organisational change. "Laboratory training" is described by Schein and Bennis (1965, 4) as,

an educational strategy which is based primarily on the experiences generated in various social encounters by the learners themselves, and which aims to influence attitudes and develop competencies toward learning about human interactions.

Using this unique method, Schein and Bennis explored methods of bringing about organisational change using group methods. It is a study of group dynamics.

Katz and Kahn, Havelock and Schein and Bennis have developed their own "strategies", "orientations" or methods to achieve the same result; the management of organisational change.

The strategies from these studies and other literature can be condensed into two all-embracing considerations for the management of organisational change. These are: –

- the change process
- the manager's "tools" of organisational change
The change process is basically that identified by Havelock (1973, 7). The process involves:

i) the recognition of a need for change

ii) the translation of this need into a solution to achieve that change

iii) planning the implementation of the solution

iv) the implementation phase

v) an evaluation phase

This change process could be regarded as being cyclic with the evaluation phase providing additional inputs into a recognition of the need to effect further change.

The second consideration for the management of organisational change has been identified as the managers "tools" of change. A synthesis of all sources basically categorises these "tools" as they were identified previously. They are:

- Communications
- Group Dynamics
- Training,

with a fourth consideration being

- Tools for Planning

It could be argued that Communications and Training are synonymous in the present context. Indeed it is recognised that there is much overlap in the four "tools" identified.

As the focus "for this dissertation is on the "implications for Management Training" it is preferable to leave Training as a discrete change-effecting tool.
Matching the identified change-tools with the five steps in the change process helps to crystalise an approach to the management of change.

For the first step, "the recognition of a need for change" does not require any of the change-tools specifically. A manager must be aware and receptive to the organisation's environment to be able to perceive the need for change. It is true that the need for change may be Communicated to the manager or develop as a result of Group Dynamics, but neither of these tools are essential in the initial recognition phase.

The translation of the need into a solution is a step requiring both Communications and Group Dynamics.

Examples of the type of Communication activities that a manager may select from include a general request to all staff, a suggestion scheme, selected consultation, networking, brainstorming, role-playing or a common meeting.

The Group Dynamics which may be used has some bearing on the communication method to be employed. Examples of the Group Dynamics which may be employed are Organisational Development, Industrial Democracy or Organisational Culture Building. Each of these change-tool examples are to be explored more fully later in this chapter.

The change-tools to be used for the Planning phase of the change process involves the specific "Tools for Planning" as well as Communications and Group Dynamics.

Specific examples of "tools for planning" include budgeting, computer information systems, Gantt Charts and PERT Charts for task planning and co-ordination and Decision Tree analysis diagrams. It is not intended to further pursue these tools specific to the Planning phase of change in this dissertation.
The change-tools for the remaining two steps in the change process, those of implementation and evaluation are, predictably, Communication and Group Dynamics.

It is this writer's contention that training can play an important role within all phases of the change process as identified by Havelock (ibid.), especially in the translation, planning and implementation stages.

Corporate Planning.....A Plan For Change

Essential to any organisation is some form of planning. Rosabeth Moss Kanter (1983, 41) observed that

until now, most organisations have attempted to deal with forthcoming change and with environmental contingencies by ever-more elaborate mechanisms for strategic planning - essentially designed to help organisations feel in control of their futures.

This planning may simply be confined to an annual accounting budget with a few loose estimates a year or so hence. "Corporate Planning", by contrast, is a systematic, comprehensive assessment leading to realistic staged planning of a long-term, successful future. In common usage today, Corporate Planning implies at least three years' work before its full effect can be properly evaluated.

Caldwell's (1984, 2) definition of Corporate Planning stated that it is

a continuous process in administration which links goal-setting, policy-making, short- and long-term planning, budgeting and evaluation in a manner which spans all levels of the
organisation and which secures appropriate involvement of persons according to responsibility for implementing plans as well as of persons with an interest or stake in the outcomes of those plans.

Caldwell (ibid) then considered the various elements in his definition and contrasted the major characteristics with traditional theories of planning. Highlighted by this work, are those characteristics suggested by Russell Ackoff (1981, 53) who indicated that the essential difference between alternative approaches to planning, is their orientation in time.

Ackoff (ibid) suggested that

the dominant orientation of some planners is to the past, reactive: others to the present, inactive: and still others to the future, preactive. A fourth orientation, interactive ... regards the past, present and future as different but inseparable aspects of the mess to be planned for it focuses on all of them equally. It is based on the belief that unless all three temporal aspects of a mess are taken into account, development will be obstructed.

Ackoff proposed three operating principles of interactive planning, namely the participative principle, the principle of continuity, and the holistic principle. In describing the participative principle, Ackoff (1981, 65-66) stated that "in planning, process is the most important product.... The principle benefit of it derives from engaging in it".
The principle of continuity, as proposed by Ackoff, emphasises planning as a continuous activity, not discontinuous as in many organisations. Ackoff (1981, 70-71) offered two reasons as to why this should be so. Firstly, no plan will work as designed due to changing circumstances and secondly as values change so to the expected benefits or outcomes will change. Thus plans should be continuously reviewed and altered in accordance with changing circumstances and values.

Ackoff (1981, 71-73) elaborated on his holistic principle. He suggested that there are two parts to the holistic principle: a principle of co-ordination and a principle of integration. The principle of co-ordination states that "no part of an organisation can be planned for effectively if it is planned for independently of any other unit at the same level" The principle of integration states that planning done independently at any level of a system cannot be as effective as planning carried out interdependently at all levels. The holistic principle is a combination of the co-ordination and integration principles. It suggests that

the more parts of a system and levels of it that plan simultaneously and interdependently the better. This concept of all-over-at-once planning stands in opposition to sequential planning, either top-down or bottom-up.

It can be seen that the Caldwell definition of Corporate Planning cited earlier addresses all three principles of Ackoff's interactive planning. Caldwell (1984, 4) elaborated on elements of his definition and lists the salient points. These are that Corporate Planning should:

- Be a continuous process.
- Involve short-, medium-, and long-range perspectives.
At the unit level, be a key component of a comprehensive planning process for the whole organisation.

Be "all-over-at-once".

Be interactive.

The Corporate Planning process should consist of five cyclic steps:-

1. Setting goals and objectives for the organisation and its component parts.

2. Considering developments in the outside world affecting the organisation, and assessing their implications for the organisation's future.

3. Developing strategies for ensuring that the objectives will be achieved in the light of those developments, and the organisation's capacity to respond to them.

4. Preparing budgets to implement those strategies.

5. Continuously reviewing progress, and where necessary rethinking objectives and strategies to ensure their continued relevance.

Cunningham (1982, 11) summarised the need for and an approach to planning thus:-

1. Plans are needed if organisations are to accomplish desired outcomes efficiently and effectively.
2. Plans reduce individual and organizational stress by providing direction and increasing control over present events. Employees should not be concerned about organisational direction on a daily basis but should be able to direct their creative talents toward the implementation and ultimate success of organisational activity.

3. In order to obtain staff commitment and coordination, all organisational planning requires a model that is widely known and well understood by the members of the organisation.

4. Planning efforts must be divided into two types - strategic and operational. Strategic planning is required to provide long-term direction regarding all organisational activity and to ensure that the organisation is doing the right things. Operational planning is required to ensure that resources are used correctly so that desired results are achieved in the best manner possible. Both strategic and operational planning have their own unique questions that must be answered if the organisation is to operate properly.

The two types of planning suggested are further elaborated upon by Cunningham (1982, 12). He stated that an organisational plan is one by which "administrators ensure that resources are obtained and used effectively and efficiently in the accomplishment of strategic objectives." "Strategic planning" is described as "the process of deciding on objectives for the organisation, on changes in those objectives, on the resources used to obtain objectives, and on the policies that are to govern the acquisition, use and disposition of the resources." In short, strategic planning
ensures that the organisation is "doing the right thing" whilst operational planning ensures that the organisation is "doing things right."

Communication and Consultation in Corporate Planning

The value of consultation in the success of Corporate Planning, cannot be over emphasised. Barry and Tye (1972, 96) stated that consultation is a natural tool of good organisation, a matter of professional advice and involvement which operates not by the undermining of authority, but by the pooling of experience and expertise.

The nature of the communication channels provided, should ensure that the communication which takes place is multidirectional. It may not be possible for all members of a large organisation to be included in the consultative function, but it is imperative that all staff members feel that they are at least being represented at this stage. Although the communication channels are multidirectional, Management must maintain the control and keep the admissible communications within Corporate guidelines. This must be done carefully, however. Barry and Tye (1972, 97) warned of the dangers of causing "offence by short circuiting or excluding those who have a rights to expect consultation".

Cunningham (1982, 21) emphasised the necessary commitment of the people of an organisation before any plan will succeed. The provision of multidirectional communications channels and the elicited inputs from personnel at all levels of the organisation should ensure such a commitment and thus the ultimate success of the plan.

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Ackoff (1981, 46) stated that "the need for coordination of planning at different levels is too obvious". He warned that plans developed by sections of an organisation tend to be "propaganda for a larger share of organisational resources".

The staff involvement in the consultative process at this stage of the plan could be indicated by the "stake and expertise" theory postulated by Edwin Bridges and recorded by Hoy and Miskel (1982, 281).

Recognition of the "stake and expertise" requirements in the planning process should be in accordance with the Caldwell (1984, 2) definition of Corporate Planning which says in part, that the planning process

... secures appropriate involvement of persons according to responsibility for implementing plans as well as of persons with an interest or stake in the outcomes of those plans.

The success or failure of organisational change will depend primarily on the Corporate Plan and the planning process. Success at this stage is virtually guaranteed if all members of the organisation feel a sense of "ownership" of the plan. A principle element in increasing workers' satisfaction within an organisation is the ability of the workers to make decisions about their work. Conversely, having no control over one's work can lead to alienation. Karl Marx, quoted in Bowles and Gintis (1976, 72) observed that

The worker therefore only feels himself outside his work, and in his work feels himself outside himself.... It is therefore not the satisfaction of a need; it is merely a means to satisfy needs external to it... External labour, labour in which man alienated himself, is a labour of self-sacrifice, or mortification.
Thus, involvement of staff at all levels within the organisation is imperative. Two methods of ensuring staff involvement and therefore staff commitment are to be discussed in this context. These are Industrial Democracy and Organisational Development. The relevance of using either or both of these staff-involvement models in generating a Corporate Plan and eventually implementing that plan, is dependant upon the organisation's receptiveness to such ideas. This in turn is determined by the organisation's "culture" or "climate" and will be investigated in the following section of this chapter.

The importance of Corporate Planning in organisational change is summarised by Howe (1981, 27),

> It is only through a fully integrated, responsive planning effort that a company can maximise the productivity of its capital, human and systems resources. Commonly understood and agreed-to plans will assure the congruity of management effort, which is the key to organisational success.

**ORGANISATIONAL CULTURE**

As mentioned in the previous section, an organisation's receptiveness to non traditional concepts such as worker participation in the Corporate Planning process, depends on that organisation's "feel". This rather abstract notion also has a significant influence on an organisation's ability to effectively introduce change. Contemporary organisation behaviour theorists use the words "culture" or "climate" when describing an organisation's "feel". Fink, Jenks and Willits (1983, 7) considered some visible aspects as making up an organisational climate. They included "the physical setting - the arrangement of architecture, interior space, furnishings
and decorations. Some settings are inviting whereas others are foreboding.

Hoy and Miskel (1982, 185), discussed the way a person behaves in an educational organisation. Their observations are true for an individual's behaviour in any organisation. Hoy and Miskel (ibid.) suggested that the person's performance is determined in part by individual characteristics and in part by the organisational setting. Synonyms for the word "setting" are milieu, culture, atmosphere, feel, tone, or climate. Such terms refer to the internal quality of the organisation, especially as experienced by its members.

Fink, Jenks and Willits (1983,73) also suggested an interchange between the words "climate" and "culture". When describing organisational climate, they state that it is "determined in part by the norms and customs that characterize an organisation. We sometimes refer to these aspects of an organisation as its culture."

Throughout this dissertation, the word "culture" will be used, assuming that it is interchangable with the word "climate".

Many definitions of organisational culture have emerged from the literature studied. Litwin and Stringer (1968, 5) suggested that it is

The perceived, subjective effects of the formal system, the information 'style' of managers, and other important environmental factors on the attitudes, beliefs, values, and motivation of people who work in a particular organisation."
Schein and Bennis (1965, 46) stated that

Cultures are built on a common language for shared experiences. Quite often, it happens that some concepts and theories create a cohesion through their shared comprehension.

Richard Bates (1982, 5-6) provided perhaps the most elaborate definition of any of the literature studied.

As with scientific communities formal organisations construct defences and mechanisms of suppression in order to protect and sustain dominant paradigms. These mechanisms are essentially symbolic, communicated through the language, rituals, and metaphors that define the nature and meaning of the organisation and celebrate the purposive intentions of organisational life. In short organisations are cultures rather than structures and it is the maintenance and contestation of what is to constitute the culture of organisational life that provides the dynamic of rationality, legitimation and motivation in organisations ...

It is culture that gives meaning to life. The beliefs, languages, rituals, knowledge, conventions, courtesies and artifacts — in short the cultural baggage of any group, are the resources from which the individual and social identities are constructed. They provide the framework upon which the individual constructs his understanding of the world and of himself. Part of this cultural baggage is factual. It is empirical, descriptive and objective. Another part of this cultural baggage, perhaps the greater part, is mythical. It is concerned not with facts but with meaning.
From the definitions given, some elements that effect the culture of an organisation become apparent. These include the organisation's structure, norms, communications, rituals, history (either factual or mythical), beliefs and conventions together with the more tangible considerations such as geographical location, size and physical appearance.

In a critical appraisal of the literature presented by Sergiovanni and Corbally (1984, 296), Martin Burlingame reported two previous writers' observations. Firstly William Taylor who warned readers about the ambiguity of the word "culture", and second Thomas Sergiovanni's note that the articles written on organisational culture to date, reflect an emerging and not a mature perspective. He did, however, offer some thoughts on developing the theory and bringing it into practice. Foremost amongst these was the need to consider the organisation's personnel selection criteria.

Burlingame (ibid, 301) emphasised that the culture of an organisation is affected by the personnel appointments. New staff should be screened to ensure that they share the accepted organisational "vision". Another of Burlingame's hints, is for administrators to make themselves aware of the existing culture or cultures within the organisation (ibid, 305). Moreover, they need to be "sensitive to shifts in public moods, as well as to the persistent concerns of those who seem to be out of step with what is happening".

Further advice regarding the conversion of cultural perspective theories into administrative practice, is offered by Hugh Petrie, again in Sergiovanni and Corbally (1984, 310-323). There is an obvious linking between Petrie's thoughts and those of Burlingame. Where Burlingame stressed the importance of recognising existing cultures, Petrie emphasised the need to resolve any conflicts in cultural values.
I am urging that we cannot rest content in exposing and pointing out the importance of cultural values in ... policy analysis. If we cannot pursue policies which allow all cultural values to be pursued, and often we cannot, then we must make choices.

Petrie (ibid, 314), presented a strong argument in favour of cultural policy analysis. There is a warning however, pointing out the dangers of this leading to "pluralistic paralysis". That is placing too much emphasis on understanding the importance of a culture without following through to search for alternative solutions to a problem and recommending a course of action to solve that problem. "Pluralistic paralysis", Petrie argued, could result in no decisions being made and thus no "management".

Considering Burlingame's claim that cultural analysis is an emerging administrative tool and Petrie's (ibid, 323) claim that, modified, it will be "one of the most fruitful forms of policy analysis ever to emerge", this is a promising development for any organisation contemplating change.

It is apparent that for an organisation to effectively introduce a program of change, the culture of the organisation must be conducive to such change. A cultural analysis would provide the necessary information before a judgement was made as to whether or not change would be accepted.

Although specifically discussing organisational culture in an educational environment, Sergiovanni (1984,9) reinforced this conclusion.

The more understood, accepted, and cohesive the culture of a school, the better able it is to move in concert toward ideals it holds and objectives it wishes to pursue.
Another important consideration is the link between an organisation's culture and its leadership. Such a link is recognised by Sergiovanni, in Sergiovanni and Corbally (1984, 8).

Leadership within the cultural perspective takes on a more qualitative image; of less concern is the leader's behavioural style, and leadership effectiveness is not viewed merely as the instrumental summation of the link between behaviours and objectives. Instead, what the leader stands for and communicates to others is considered important.

William Taylor, in Sergiovanni and Corbally (1984, 125) discussed the "psychic" character of culture. Past culture building in organisations has been due largely to intuitive leadership. Before the study of organisational cultures became formalised, evidence of culture building through "intuitive leadership" was available in Australia. Hilmer (1985, 29), cited the example of Coles, who have encouraged a culture where first names are the rule, have located headquarters in the Bourke Street store so that managers must walk through a store to get to work, and have encouraged store visits by all levels of management, even while on holiday.

This culture building, whether through intuition or design has been a vital part of Cole's success. Hilmer (ibid.) also listed flexibility, information sharing, innovation and open access as being factors instrumental to that organisation's continuing success. There is no doubt about the
changes which have occurred in the retailing industry since Coles first opened. Their "open" organisational culture has obviously assisted them in adapting to those changes.

Perhaps a more radical development in open organisational cultures, is that of worker participation in decisions affecting them. This is an extension of the "open access" and "information sharing" which was a feature of the Coles example. Such participation may take the form of "Organisation Development" or "Industrial Democracy".

ORGANISATIONAL DEVELOPMENT AND INDUSTRIAL DEMOCRACY

Abrahamsson (1977, 26), proposed a model of organisational participation which assesses the place of Organisation Development and Industrial Democracy in organisational change. In Abrahamsson's model

the contrast is between socio-technical participation which extends the role for employees in production, allows for job rotation and job enlargement but has few consequences for the organisation's environment, and political-participation which extends the role of the employee in organisational management and changes the composition of the mandator (or controlling) group thus having many consequences for the organisation's environment.

Hugh Watson, Director of the Senior Executive Conference Program, Public Service Board, Canberra, presented a paper entitled "Organisational Change: OD or ID" to the Eighth National Conference of the Australian Institute of Training and Development in Hobart, April 1986. His definition of Organisation Development was given as a process which
falls into the area of socio-technical change. With its roots in the Human Relations Movement, OD does not attempt to permanently change structural relationships within an organisation but rather it aims to make the organisational climate more healthy for those who work in the organisation.

French and Bell (1978, 14), defined Organisation Development as

a long-range effort to improve an organisation's problem-solving and renewal processes, particularly through a more effective and collaborative management of organisation culture - with special emphasis on the culture of formal work teams - with the assistance of a change agent, or catalyst, and the use of the theory and technology of applied behavioural science, including action research.

Both definitions emphasise the importance of organisational culture in Organisation Development. The significance of culture to effective organisational change was specifically addressed earlier in this chapter.

The role of Organisation Development within organisational change is summarised by Cunningham (1982, 197) who stated that

Organisation Development is planned change through a coordinated attack on the interpersonal problems of the organisation. Its purpose is not just to develop
individuals within the organisation but the organisation as a whole. OD is designed to effect change through altering attitudes and values and improving interactions.

Cunningham's summary of Organisation Development reflected that of Hollis (1974, 11) who suggested that "Organisation Development almost always concentrates on the values, attitudes, relations and organisational climate".

Huse and Bowditch (1977, 389) offered a cautionary note about Organisation Development, however. They warn that

many "failures" in OD result from improper diagnosis or failure to involve a key group or individual or to properly anticipate the consequences of a proposed action(s).

This warning re-inforces that of Edwin Bridges cited earlier.

A universal definition for Industrial Democracy is more evasive than that given for Organisation Development. The Department of Employment and Industrial Relations acknowledged this difficulty in their booklet "Industrial Democracy and Employee Participation" (1986, 3).

What happens in making decisions and organising work is more important than the labels attached to the process. Industrial democracy means different things to different people, but disputes over terminology should not be allowed to take the focus of discussions away from the real benefits flowing from change in this area.

The Government sees industrial democracy and employee participation as different aspects of the same concept.
Industrial democracy is the ideal, the goal to work towards in much the same way as we are working towards a more democratic society generally. The same basic principles apply: maximum participation by all people (in this case employees), equal rights and equal opportunities.

Employee participation describes the processes that lead to a greater degree of employee influence and is an essential part of the process for achieving industrial democracy. Employee participation means employees having the opportunity to have a genuine say and influence on decision making.

In a paper prepared by the Department of Employment and Industrial Relations for the board of the Australian Broadcasting Corporation, dated 30th May, 1985, the author, Mr Barry Condon, stated that Industrial Democracy occurs where staff in an organisation are involved in decision-making about the organisation and its operation through structures and processes which involve the sharing of authority and responsibility in the workplace.

This is as useful a definition as any, including as it does notions of 'decision-making', 'sharing of authority and responsibility' and 'staff participation'.

In the United Kingdom, the Industrial Participation Association and the Institute of Personnel Management, jointly produced a paper entitled "Employee Involvement and Participation". This paper was reproduced in the journal "Human Resource Management Australia" (1984, 16) and contains five aims for organisations involved in Industrial Democracy. These aims are to:

* generate commitment of all employees to the success of the organisation
enable the organisation better to meet the needs of its customers and adapt to changing market requirements, and hence to maximise its future prospects and the prospects of those who work in it

help the organisation to improve performance and productivity, and adopt new methods of working to match new technology, drawing on the resources of knowledge and practical skills of all its employees

improve the satisfaction employees get from their work

provide all employees with the opportunity to influence and be involved in decisions which are likely to affect their interests.

It can be seen that two of these aims deal directly with organisational change and the remainder with organisational culture. As mentioned earlier, "cultural" considerations are vital in any attempt to change and organisation. The implications for Industrial Democracy of the complexity and diversity of organisational cultures in Australia was the subject of an article printed in the Department of Employment and Industrial Relations, Working Environment Branch publication "Employee Participation News." (No.4, 1986, 3-4).

Australian research in industrial democracy has traditionally concentrated on participative initiatives in individual companies and organisations. Although case studies provide valuable insights into the operation of organisations, they are necessarily of limited value in developing strategies for implementing industrial democracy on a wider scale. It is not appropriate to generalise from the
experiences of a single company to policies and programs suitable for to the majority of the workforce; national policy initiatives must account for the characteristics which distinguish between different organisations and industries and between different groups in the workforce.

The "characteristics which distinguish between organisations and industries" are those which determine the organisational culture. The article continued by reporting that the most striking feature of the research done in this field is that they illustrate the complexity and diversity of industry, organisational and employment cultures in Australia.

Horvat, quoted in Watson (1986, 6), writing on the ethical foundations of self-government, provided another perspective on the view of human nature held by advocates of Industrial Democracy. He advanced a humanistic perspective of humans focusing on themselves, and on human-kind. Describing the humanistic perspective, Horvat was quoted by Watson (ibid.) as stating:

... persons are economically, politically and socially free. The traditional distinction between egoism and altruism - reflecting the inimical confrontation of the individual and the society - loses its meaning ... Thus, a pre-condition for the complete development of personality is that everybody else has the same chance; I can live my human life fully only if everybody else does the same.
From the literature examined, it is apparent that Organisation Development or Industrial Democracy (or both) are essential to effective organisational change. The importance of the Corporate Planning process has also emerged as a significant consideration and a use for Organisation Development or Industrial Democracy in the planning stages of change is apparent.

In closing his address to the Eighth National Conference of the Australian Institute of Training and Development, Hobart, April 1986, Hugh Watson said

I believe that Industrial Democracy is the goal that we should be working towards in organisational change. Industrial democracy requires legislation and certainly the Federal Government has made some moves in that direction. Legislated changes is not enough, however, to bring about the desired changes in organisations. Training and an organisational change process is needed.

OD can provide necessary training strategies for members at all levels of organisations in the move to industrial democracy. OD is after all a process and not an end in itself.

OD with its roots in the Human Relations Movement has also been a process that focussed on improving organisational climate through improving management.

I have proposed that industrial democracy is a desirable goal for society's organisations and that OD and the Human Relations Movement can provide a real contribution to humankind by providing training and processes for the members of organisations that are to move to industrial democracy.
Watson's comments on training in his closing statement, will be revisited as the focus of this dissertation emerges.

Watson concluded by stating that there need not be a dichotomy between Organisation Development and Industrial Relations, but rather a partnership. Both have a role in organisational change.

LEADERSHIP

Participation in decision making for organisational change, whether through Organisation Development or Industrial Democracy, appears to have the support of the contemporary writers studied. However, there are some reservations and in addition to those cited in the previous section, Fiedler and Chemers' (1974, 112) make an important cautionary comment.

It is obvious, however, that the simple prescription of "participative management for better performance" cannot be taken without serious qualifications. It should be used only relationship motivated leaders and only in groups in which the participants in the decision making process are of comparatively high intelligence or especially knowledgeable.

Not only have Fiedler and Chemers addressed the "stake and expertise" criteria for involvement in decision making processes, (as mentioned earlier in the Corporate Planning section of this chapter) but they also introduced considerations of leadership style.

Supporting this theory, Rosabeth Moss Kanter (1983, 248–249) stated:
It is significant in this respect that participation works better where the parties involved in it are strong, and there is clear leadership in the organisation ... In short, leadership – the existence of people with power to mobilize others and to set constraints – is an important ingredient in making participation work.

The significance of leadership in an organisation undergoing change is highlighted by Bennis and Nanus (1985, 20), who observed that

Organisations must be led to overcome their "trained incapacity" and to adapt to changing conditions. Leadership is what gives an organisation its vision and its ability to translate that vision into reality.

A contrary view was investigated by Peters and Waterman (1982, 26) who admitted that they were initially biased, to "discount the role of leadership heavily." Their investigations revealed, however, "that associated with almost every excellent company was a strong leader." These leaders appeared to have been instrumental in making their companies excellent in the first place. Certainly all the organisations studied by Peters and Waterman had thrived through periods of significant change.

Much research has been devoted to answering the question, "What makes a good leader?" These studies have examined leaders in a variety of situations; politics, education, business, military, church and sport to name a few. The more recent research has focused on the study of behaviour as well as physical and constitutional characteristics which primarily comprised reports of research conducted earlier this century. As a result of contemporary research, a number of generalisations about leadership can be made with some certainty. Howe (1981, 133) listed these generalisations as follows
It is quite unlikely that there is a single basic pattern of abilities and personality traits characteristic of all leaders.

Different situations require different leadership characteristics.

Different functions demand different abilities and skills of leadership.

Many characteristics that have been alleged to be essential to the leader turn out not to differentiate the successful from the unsuccessful leader.

Skills and attitudes can be acquired or modified extensively through learning.

It is obvious that a leader cannot exist without a group of followers. It is also obvious that a group will not excel at their mission without a leader. The relationship between a group and its leader was examined by Owens (1981, 146-147).

Leadership occurs in some kind of group, and the leader functions, necessarily, in relationship to the members of the group. Viewing leadership as an interactive process between the leader and the group requires that we clarify three commonly used terms in discussing leadership: group, leader, and leader behaviour.
In dealing with leadership it is necessary to keep in mind the difference between an aggregation of people, on the one hand, and a group, on the other hand. A group may be defined (and differentiated from an aggregation of people) by the presence - to a greater or lesser degree - of at least three characteristics:

1. Members of a group are interdependent: they share with each other certain values, beliefs, attitudes, knowledge, fears, or whatever. This interdependence is expressed through interactions between and among members of the group, such as communicating, sharing, engaging in rituals, and so on.

2. Members of a group derive satisfaction of individual needs from being part of the group. These needs will include ... safety, security, belonging, esteem, and so on. The satisfaction of these needs is not readily observable in the behaviour of individuals but must be inferred from their patterns of behaviour.

3. Members of a group share goals. A group, as a unit, seeks to achieve some specific objectives or goals. In order to achieve these goals the members of the group must interact and must derive some needs satisfaction from the interaction processes, as well as from the goal achievement itself.
Owens (1981, 151) described leadership as a process through which people are influenced to achieve certain goals within a given situation or environment. He identified three important elements of leadership as being

The behaviour of the leader

The behaviour of the followers

The environment of the situation.

The behaviour of the leader has been simplified to two opposite "leadership styles". The style identified is dependant upon whether the leader is "task oriented" or "people oriented". Owens (ibid.) expands on these labels:

The leader can decide what to do and tell followers how to do it. The leader permits followers to operate freely within limits dictated by things over which he or she has no control.

Research into leadership behaviour has repeatedly identified the same two styles although they are frequently given different labels. Behavioural scientists often refer to Theory X and Theory Y, as proposed by McGregor (1957, 22-28). Daniel Katz, in Owens (1981, 151) referred to "employee-orientation" and "production-orientation" whilst Likert (1961, 7) used the terms "employee-centred" and "job-centred".

To differentiate between these two leadership styles theoretically is a relatively simple exercise. The practical consequences of applying them in a variety of combinations "on the job", is somewhat less obvious. For example, the effectiveness rating of a leader scoring well in people considerations might not be very good if that leader were being assessed in a military combat situation. In such a crisis situation, concern over the task at hand would be of greater
This leads to a "contingency" approach to leadership which suggests that situations will dictate which leadership behavioural style is optimum. Silver (1983, 153) stated that "the contingency theory of leadership effectiveness maintains that a group's success in accomplishing its tasks depends on the appropriate matching of leader and situation." That is, the group performance exists as an interaction between the leader and the situation. Silver (1983, 154) continued by proposing that "Leadership Style" is a major construct in the contingency theory. She defined leadership style in terms of the underlying need structure that motivates the leader's behaviour in various interpersonal situations. In this theory leadership style is a personality trait of the leader, a relatively enduring characteristic that is not directly observable; it is the pattern of needs that the leader seeks to fulfill in personal interactions. Theoretically, there are two basic needs that motivate leaders: the need for good relationships with other people and the need for successful accomplishment of tasks. Although all leaders (and other people) have both these types of needs, the dominance of one type of need over the other defines the leader's style as either relationship oriented or task oriented.

Silver (1983, 153) discussed the need to increase group task completion towards its quantitative and qualitative highest levels which she referred to as "maximising group performance." The leadership effectiveness in this quest is influenced by three factors which Silver (ibid.) described. These are "leader - member relations", "task structure" and
"leader's position power". As a collective, these comprise "situational favourableness", another major construct in the contingency theory of leadership.

Fiedler and Chemers (1977, 5-12) acknowledged that leadership styles tend not to change. If a mismatch is detected, they suggest that the situation should be changed.

Hersey and Blanchard (1982, 150-154) proposed a theory of leadership style which is at odds with that of Fiedler and Chemers. They suggested that a leader should be prepared to change his or her style to suit the situation. They warned that followers will change over a period of time, therefore the leader should allow for this growth in maturity, both psychological and professional. Hersey and Blanchard (1982, 161) suggested a model describing four leader behaviours. These are

- **Telling** — provide specific instructions and closely supervise performance.
- **Selling** — explain decisions and provide opportunity for clarification.
- **Participating** — share ideas and facilitate in making decisions.
- **Delegating** — turn over responsibility for decisions and implementation.

In short, Hersey and Blanchard are advocating an effective leader as one who can "read" his or her subordinates and will change their own style or behaviour accordingly.

A third theory studied is that of Sergiovanni (1982, 330-335). Sergiovanni's emphasis is on "quality" leadership rather than "effective" leadership. He proposes a 10P model which attempts to provide a balance and integration of tactical and strategic factors of leadership. The ten P's are given as:
Prerequisites
Perspective
Principles
Platform
Politics
Purposing
Planning
Persisting
Peopling
Patriotism.

These are presented in an ascending order of significance with "Prerequisites" merely covering basic leadership skills through to "Patriotism" which is seen as the cultural expression behind leadership. Sergiovanni and Starratt (1983, 202) stated

The quality principle of patriotism is key to viewing leadership as a cultural expression. In highly effective organisations workers share a set of common beliefs and reach a set of common agreements that determine what will be done and how it will be done. Members express loyalty or patriotism to this way of life. Organisational patriots are committed to purposes, work hard, believe in what they are doing, feel a sense of excitement about the organisation, and its work, and find their own contributions to the organisation meaningful if not inspirational.

The conclusion drawn by Sergiovanni (1982, 335) is that cultural expression -(covered by Patriotism), leadership meanings (from Purposing through to Peopling) and leadership antecedents (from Perspective to Politics) are all essential in an "excellent" organisation.
By way of contrast, Hersey and Blanchard only addressed the basic leadership skills, the Prerequisites of Sergiovanni's model.

Progressing through Sergiovanni's 10P model, the considerations become less practical and more valuational. They move toward a philosophical base. Hodgkinson (1983, 202) argues for the importance of this philosophical base to leadership.

Affect, motives, attitudes, beliefs, values, ethics, morals, will, commitment, preferences, norms, expectations, responsibilities - such are the concerns of leadership philosophy proper. Their study is paramount because the very nature of leadership is that of practical philosophy, philosophy-in-action. Leadership is intrinsically valuational. Logic may set limits for and parameters within the field of value action but value phenomena determine what occurs within the field. They are indeed the essential constituents of the field of executive action, all of which is to say that the leader's task is essentially affective. If this were not true then leadership behaviour could be routinised and, ultimately, computerised.

The importance of this philosophical base for leadership cannot be over emphasised in the study of successful organisations. Similarly, the link between the philosophical leadership base and an organisation's culture, as exemplified by the Hodgkinson (1983, 202) statement quoted above, must be emphasised. Professor Robert J. Starratt, during his visit to Hobart in 1985, described an "authentic" leader as one who is in touch, and understands the history and culture of the organisation. He suggested that leadership must go beyond management and supervisory skills. Leadership is about moving an organisation forward.

45
Starratt's description suggests that a manager follows a script; a leader writes that script. The "script" of Starratt's statement could be the organisation's mission or vision, or as Bradford (1984, 107-108) described it, "overarching goal".

The lack of an overarching goal represents a major loss of potential power on the part of the manager. In the absence of a challenging goal that sets high aspirations, the manager tends to fall into a maintenance role that at best produces a more efficient version of an existing situation. Developing toward potential is a necessary ingredient of excellence and also encourages a manager to assume a leadership role.

Thus, one major purpose of such a goal is a vehicle of change. If the manager can articulate and gain member commitment to a vision of the future, the goal then serves as an important stimulus for change towards excellence.

It is interesting to note that in this quotation, Bradford is tending toward the same differentiation between managing and a "leadership role" as did Starratt.

Other characteristics of effective leaders in "excellent" organisations have been identified and recorded by contemporary researchers and writers in the field of behavioural science. Amongst these, Vaill (1984, 93) has identified three "characteristics of the actions of leaders" which he believes "appear one hundred percent of the time".

I think these three characteristics and their interrelationships have profound implications for the world of organisations.
and organisational leaders, not because they are such esoteric or mysterious factors, but because they are so well known and apparently easily overlooked.

1. Leaders of high-performing systems put in extraordinary amounts of time.

2. Leaders of high-performing systems have very strong feelings about the attainment of the system's purposes.

3. Leaders of high-performing systems focus on key issues and variables.

I have come to call this the Time-Feeling-Focus theory of high performing systems leadership. There are of course many nuances, subtleties, and local specialties connected with the leadership of any high-performing system, but over and over again, Time, Feeling, and Focus appear no matter what else appears. They may not be totally sufficient as conditions, but they are necessary.

In addition to the three almost "common sense" leadership characteristics identified by Vaill, Bennis and Nanus (1985,66-67) recorded the five key skills that they recognised in ninety leaders who participated in their study. These skills are:

The ability to accept people as they are, not as you would like them to be.

The capacity to approach relationships and problems in terms of the present rather than the past.
The ability to treat those close to you with the same courteous attention that you extend to strangers and casual acquaintances.

The ability to trust others, even if the risk seems great.

The ability to do without constant approval and recognition from others.

A final consideration in the study of leadership is the question of "power". Etzioni (1961,61) discussed two different sorts of power which he labelled "position power" and "personal power". The distinction arises from Etzioni's premiss that power is the ability to induce or influence behaviour. He suggested that power is implicit within one's position in an organisation or through one's personal influence, or both. Etzioni postulated that the ideal situation for a leader is to have both position and personal power.

The type of power base of an individual leader will greatly influence his or her leadership style as discussed earlier. A leader having only position power would tend to be more authoritarian and "task-oriented". On the other hand, a leader with a personal power base is more likely to be a democratic and "people oriented".

Relating these theories to the role of a leader during times of organisational change, two methods of change emerge. Change may either be as a result of consultation and participation by a personal power based, people oriented leader or the change may occur via an edict issued by a position power based leader who is task oriented.

In reality, the role of a leader in organisational change is seldom as "black and white" as suggested above. A blend of styles and powers is desirable dependant upon the prevailing circumstances. This reinforces the contingency theory of leadership discussed earlier.
Most contemporary theories suggest that change carefully planned and implemented using a participatory, people oriented program under the control of a personal power based leader who is equally aware of the organization's task or goal, should succeed. Knowles (1983, 6) warned of the risk in "change by edict is that it almost automatically induces resistance."

Also emerging from the literature studied is a direct relationship between leadership and organizational culture. Both have an effect upon the other. Litwin and Stringer (1968, 5) supported this observation. They found that by varying the leadership style in each of three simulated organisations, they created three different cultures, each having a distinct effect on the work performance and job satisfaction of the members of those organisations.

A final thought on the implications of leadership on organisational change is from Campbell (1973, 188).

As the rate of change in markets, technology and social aspirations accelerates, so the enterprise to attain its objectives must become more adaptable and capable in this area of definition of objectives and policies.

The ability to adapt will depend on the adaptability of managerial leadership from managing director to supervisor and shop steward.

Leadership selection and development is therefore one of the vital concerns for success of the enterprise.
SUMMARY

The aim of this chapter has been to determine, from the available literature, those factors which are considered influential upon the management of change in organisations.

The theories studied have been presented under the following headings:—

- Change Strategies
- Corporate Planning
- Communication and Consultation
- Organisational Culture
- Participant Management (ID or OD)
- and Leadership

From these theories, a framework has been developed as a series of questions grouped under the appropriate headings. The framework should not be used in isolation from this chapter. Meaningful answers to the questions can only be given if the reader is familiar with the terminology and theory upon which each question is based.

To assist in this process, each group of questions is sourced to the appropriate theory(s) by presenting the name of the theory author(s) in brackets after the question group. Should more than one name appear, this indicates that more than one author emerged from the literature search as supporting the theory(s) upon which those questions are based.
There has been an attempt within the chapter to identify examples where some of the theories have been successfully put into practice. All questions are written in such a way that an affirmative answer indicates a compliance with the theory. This compliance should therefore enhance the organisation's probability of successful change implementation. The greater the number of "YES" responses in relation to an organisation, the greater the compliance with contemporary organisational change theory.

The framework is to be used in Chapter 3 to analyse the Australian Broadcasting Corporation's attempt at organisational change when assessed against the contemporary theories cited in this chapter.
## A Framework for Organisational Change

### 1. Change Strategies:

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<td>a)</td>
<td>Has the change to the organisation been planned?</td>
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<td>b)</td>
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<td>c)</td>
<td>Is there a provision for a support network to assist the change process?</td>
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<td>Is there a feedback and change evaluation process?</td>
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<td>Is the organisation prepared for the change?</td>
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[Katz & Kahn; Owens and Steinhoff; Havelock; Cunningham; Toffler; Schein & Bennis; Ackoff; Kanter.]

### 2. Corporate Plan

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<td>goal setting?</td>
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<td>short-term plans?</td>
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<td>an evaluation process?</td>
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<td>c)</td>
<td>Does the Corporate Plan cover the entire organisation? (i.e. &quot;all-over-at-once&quot;planning)?</td>
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<td>d)</td>
<td>Is the Corporate Plan interactive?</td>
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<td>e)</td>
<td>Is the Corporate Plan the result of a participative process?</td>
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<td>f)</td>
<td>Is the organisation's Corporate Plan a continuous process?</td>
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</table>
g) Has the Corporate Planning process considered the environment in which the organisation operates? □ □

h) Have strategic and operational plans been clearly identified? □ □

i) Does the Corporate Plan belong to the entire organisation? □ □

[Caldwell; Ackoff; Howe; Owens & Steinhoff; Havelock; Cunningham; Bowles & Gintis]

3) COMMUNICATION AND CONSULTATION

a) Are these adequate and effective communication "channels" within the organisation? □ □

b) If so, are these "channels" multi-directional? □ □

c) Does the organisation discourage "short circuiting" communications channels? □ □

d) Does the organisation discourage specific exclusion from information sharing? □ □

e) Are staff who have a stake in the outcome of decisions allowed or encouraged to make an input into such decisions? □ □

f) Are staff who have an expertise in particular areas always consulted before decisions affecting those areas are taken? □ □

g) Is management open and honest with staff? □ □

h) Is information easily shared between management and staff? □ □

[Barry & Tye; Cunningham; Bridges; Hoy & Miskel]

4) ORGANISATIONAL CULTURE

a) Is the "culture" of the organisation recognisable? □ □

b) Have the common beliefs and values of staff within the organisation been considered in view of the planned change? □ □
c) Have all accepted organisational conventions and courtesies been extended?  

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d) If the organisation operates at more than one location, has allowances been made for variances of cultures?  

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e) Have staff been encouraged to express their "vision" for the organisation?  

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f) If so, have staff visions been considered in the planned change process?  

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g) Does the organisation's management share the common culture of the organisation?  

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h) Are staff committed to the success of the organisation?  

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[Fink; Jenks & Willits; Hoy & Miskel; Hilmer; Sergiovanni]

5) PARTICIPATIVE MANAGEMENT

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a) Do workers participate in decision making processes which effect them?  

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b) Do formal work teams exist?  

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c) Are all groups and key personnel represented in organisational decision making?  

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d) Are group interactions easy?  

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e) Are staff sharing authority and responsibility with management?  

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f) Is the staff "satisfied" with their work?  

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g) Is productivity up to the level it could be?  

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[Abrahamsson; Watson; Cunningham]

6) LEADERSHIP

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a) Does the leader have the same "vision" for the organisation as the staff?  

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b) Does the leadership style suit the organisation's culture?  

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c) Does the leadership style suit the situation?

YES  NO

d) Is the leader a good communicator?

YES  NO

e) Is the leader a good listener?

YES  NO

f) Does the leader allow involvement in decision making?

YES  NO

g) Is the leader "in touch" and understanding of the history and culture of the organisation?

YES  NO

h) Does the leader focus on key issues and variables?

YES  NO

i) Does the leader express strong feelings about attaining the organisation's purpose?

YES  NO

j) Does the leader trust others?

YES  NO

k) Does the leader approach problems in terms of the present and future?

YES  NO

l) Is the leader capable of continuing without approval and recognition from others?

YES  NO

[Fiedler & Chemers; Kanter; Bennis & Nanus; Peters & Waterman; Owens; Vaill; Hersey & Blanchard; Sergiovanni]
CHAPTER 3

THE AUSTRALIAN BROADCASTING CORPORATION'S EXPERIENCE

A letter from the Australian Broadcasting Corporation Board to the Minister for Communications, The Hon. Michael Duffy, MP dated 25th September 1985, as presented in the second ABC Annual Report commenced:

Dear Minister,

The ABC is moving through a process of profound change, touching every part of the organisation. It is sometimes a turbulent process. But, amid the ferment, the shape of the new ABC is becoming discernible: an ABC which is more program-oriented, more productive and more Australian......

The Board has faced a daunting task in bringing the ABC to confront the challenge of change.

As mentioned in the Introduction, this dissertation is examining the organisational change process within the ABC from the establishment of the new "Corporation" under a new act of Parliament. The Australian Broadcasting Corporation was created on 1st. July 1983. The Corporation's Managing Director for the first three years, was Mr. Geoffrey Whitehead. Mr. Whitehead failed to complete his five year appointment resigning on the 1st. December, 1986. He was replaced by Mr. David Hill, who for a short time had been Chairman of the Board of Directors of the ABC after the stormy departure of the previous Chairman, Mr.Kenneth Myer.
This dissertation studies the period of the Australian Broadcasting Corporation's history ending with the departure of Geoffrey Whitehead.

The Need For Changing The ABC

The given reasons for implementing a major change process within the ABC were obvious. The organisation's relevance to the Australian community which it was supposed to serve, was declining. This decline was measurable through regular survey figures examining both numbers of viewers and listeners and their appreciation of the ABC product. The commercial broadcasting networks, especially in television, had moved into traditional ABC areas and were "doing it better". The field of television current affairs which the ABC had pioneered and developed, was a significant example of this role take-over. Not only did the commercial organisations take over the programme concept but they also lured the carefully nurtured ABC staff with lucrative monetary offers that the ABC, being a Government funded bureaucracy, could not match. This "poaching" occurred with the more visible staff such as presenters and reporters as well as behind the scenes staff including journalists and producers. Another area of the commercial take-over of traditional ABC programming was very visible to most Australians ... THE CRICKET!

Thus the need for change within the ABC emerged from a number of sources; external to the ABC was the competitive environment in which they were operating (and losing), together with the recognised consumer demands brought about by the legislative changes which directed the Corporation's future. Within the organisation itself impetus for change was coming from staff who wanted more than the mediocrity that pervaded the organisation. Extremely talented and creative staff who preferred the philosophy of an independent public broadcaster to that of commercial broadcasting, were the prime internal disciples of change.

57
The Board and management team of the newly formed Australian Broadcasting Corporation in 1983 recognised the fact that effective, coordinated planning within the old ABC was non-existent. They recognised the need for a systematised planning mechanism enabling an integration of planning for different areas within a coherent framework. This, together with a recognition of the need to introduce mechanisms enabling real consultation and involvement in the planning process at all levels of the organisation, prompted the ABC to embark on a corporate planning process.

In an "all staff memo" dated 18th October, 1984, Managing Director, Mr Geoffrey Whitehead, informed staff that they were soon to see the first phase of the introduction of a system of corporate planning to the ABC. Corporate Planning is intended to provide:

- a more direct link between programs and supporting activities and the budget

- a common understanding of the ABC's overall goals and priorities, as a basis for staff determining their own priorities

- a chance to question current activities and think about new things that might be done

- a structure through which all staff can participate in determining the goals and strategies of their work units.
Above all, the planning process will enable necessary change to take place as part of the regular operation of the ABC, rather than in large, indigestible chunks.

The concept of the Corporate Plan is certainly supported by the literature cited in Chapter 2. However, some departures from the contemporary theories started to emerge within the first few months of the new Corporation's life. An all-staff memo from the Managing Director dated 4th. May, 1984 addressed the philosophy behind the then current reorganisation. Amongst the principles considered crucial to the restructuring was one stating:

The ABC's policies are arrived at through a corporate planning process which begins at the bottom of the organisation. The end result is the adoption by the Board of broad policy goals, objectives and strategies within which staff can develop their forward plans for particular activities based on estimates of their actual operational costs.

There is no argument with the envisaged end result, it is the method of achieving that result which is at variance with the accepted Ackoff (1981,71-73) "holistic principle". Ackoff proposed that the "concept of all-over-at-once planning stands in opposition to sequential planning, either top-down or bottom-up."

In practice the proposed "bottom-up" process was never fully implemented. It is true that there was consultation in the lower levels of the organisation, but there were doubts as to how representative of the entire organisation the accepted inputs really were. The warnings so prevalent in the literature regarding the involvement of those having "a stake or expertise" were either not recognised or not heeded.
Evidence of the Corporate Planning errors was recorded in a report to ABC staff by their elected representatives on the Board of Management, Clark and Aarons, (1983, 5). Their report is on the Corporate Management Conference, the meeting which should have been

the first major step towards formulation of a Corporate Plan for the organisation. However, an examination of both the intellectual and organisational method adopted in preparing for the conference reveals a lack of understanding about the basics of how to plan corporately.

They also observed that some senior management people thought that

the process of corporate planning is really something initiated at the top of the organisation with a view to getting the bottom to implement it.

Another observation made was of a senior management member who wanted the conference to support an approach whereby thirty senior members of staff would

concentrate on defining broad corporate objectives and main issues to be faced in the next three to five years, developing preferred responses to them.

The working party would then prepare a "draft Provisional Corporate Strategy Plan" which would be considered by the senior management group and submitted to the Board for endorsement.

Clark and Aaron's (ibid.) comment on this proposal was, "so much for the participatory approach!" They conclude by describing the Corporate Management Conference thus:
That's what a group of senior ABC management people did last Friday and Saturday. As far as rational corporate objective setting exercise is concerned they might as well have gone to the VFL Grand Final. No doubt some of them would have preferred that. ....(It) confirms our earlier fear that management's "new" approach is really old wine in new bottles.

Eight months later, Clark and Aarons (1984, 6) found it necessary to write

The only step taken so far in the ABC is that the Board of Directors has given its commitment to the process. The education of staff at all levels about the purposes of the corporate planning process, and the machinery to gain their participation in the process, have not yet been addressed.

This is the first indication that ABC management were "getting it wrong". It is of specific interest within the context of this dissertation that Clark and Aarons were concerned that "the education of staff at all levels about the purposes of the corporate planning process" was lacking. A comprehensive training programme aimed at enlightening ABC staff and allaying any fears or misconceptions about the need for change and its planning process may well have satisfied this criticism.

Bad timing of crucial decisions and announcements did little to convince staff that any real corporate planning was taking place. In the Managing Director's all-staff memo dated 4th. May, 1984 (cited earlier), significant structural changes within the organisation were announced and detailed. The same memo, however, stated
In the coming months, the Board will be developing broad policy goals and objectives, based on staff input. When in place, these will give guidelines to all staff about the place of their particular activities in the overall organisation of the ABC.

Not surprisingly, staff were concerned that vital decisions had already been made and were being implemented without any reference to the "lip service" that was being paid to corporate planning. The ABC Staff Association (the in-house union) Newsletter dated 18th. May 1984, announced

The long awaited rearrangement of the deck chairs has finally begun! The ABC Board, appointed ten months ago, has recently set into motion many of Geoffrey Whitehead's ideas for structural change.

The reference to deckchairs in the Staff Association Newsletter, was acknowledging a joke then popular within the organisation, that a reorganisation at that moment in the ABC's history was analogous to rearranging the deckchairs on the "Titanic"!

The Federal Council of the ABC Staff Association passed the following resolutions on the 9th. May, 1984. These resolutions published in the Staff Association Newsletter, 18th May 1984, reflect the pervading staff attitude that they had been "sold a lemon" on the corporate planning concept.

Federal Council regrets that the reorganisation was conceived in the absence of any clear program policies.
Federal Council is concerned that the haste with which the reorganisation proceeded prevented proper staff consultation and promoted the impression of secrecy.

Federal Council deplores the lack of consultation with the Staff Association and the insensitive manner in which the staff affected by the reorganisation were informed of the abolition of their jobs.

The manner in which staff were informed of the abolition of their positions was via the organisation's internal mail system, with no discussion or warning. That single action, which is referred to as "the night of the long white envelopes" in ABC folklore, did irreparable damage to Whitehead's image within the organisation. Additionally, that event did such harm to the credibility of the organisation's stated position on staff participation and corporate planning, suspicions regarding these processes still exist to this day.

THE ABC'S ORGANISATIONAL CULTURE

Recognition of the importance of organisational culture in the ABC is first evident in an article in the in-house magazine "Scan" dated 16th April, 1984. The director of the newly formed Board Secretariat, Ms. Judi Stack, was quoted as saying,

We want to gauge the views of ABC people - to find out what the current culture is. And there is a great deal of consensus on the need for change.
In reality the ABC is an intricate network of sub-cultures. Sergiovanni, in Sergiovanni and Corbally (1984,8) suggest that the cultural perspective of any organisation is based on "the concept of community and the importance of shared meanings and shared values". Having evolved from its clearly defined beginning as a radio broadcaster into the fragmented organisation that Whitehead inherited some fifty years later, the ABC's corporate culture was extremely difficult to identify or recognise. There was certainly no "concept of community" and few shared meanings and values when the organisation was viewed as a whole.

No record is available as to whether Ms. Stack ever "found" what the current culture was. Because of the evolved diversity of the organisation, this writer believes that the organisational culture at that time could not have been "found".

The Burlingame writings cited in Chapter 2 emphasised the culture of an organisation is affected by personnel appointments. He suggests that appointees should share in the organisation's vision and make themselves aware of the existing culture. The second level of management (ie the Divisional Directors immediately below the Managing Director) were appointed with most coming from outside the ABC. Such appointments were certainly made to expedite the change process but there is no evidence of them meeting the "shared vision" criterion simply because the "visioning" that comes with corporate planning, had hardly begun. Also there was little evidence of the Directors making themselves aware of the existing culture. Staff were given the impression that all that was past was bad, the slate was clean and an entirely fresh start was needed. Obviously this did not endear the "established" members of staff, even though most agreed that there was a need for change. Not all the "cultural baggage" could be discarded simply by a change in top management.
The lack of a unifying culture had not always been evident. The enviable reputation that the ABC had up until the early 1970's reflected the internal culture that older staff members fondly speak of.

It is this writer's belief that people were attracted to the ABC for their careers because they shared common personal aspirations and organisational goals. There was probably a natural selection process that almost accidently ensured that all staff from the management level down, shared common meanings and values and cherished the concept of the ABC community.

The natural growth of the organisation together with technological changes which forced the ABC along diverging paths have had a profound impact on the internal culture. Seemingly insignificant changes have resulted in a need for greater staff specialisation and have thereby destroyed the "team spirit" which was once absolutely mandatory in a broadcasting situation.

ABC management, up until 1970, did not have to worry about team building or the internal culture. It seemed implicit in the nature of the organisation. However, as the ABC grew and fragmented the "cultural baggage" altered. Unfortunately this was not recognised, possibly because the ABC's leaders of the 1970's did not understand the significance of the cultural perspective in administration.

Martin Burlingame, in Sergiovanni and Corbally (1984, 296) proposes a matrix which identifies three managerial roles and five problems. This is the closest any of the literature comes to actually providing a check-list for managers wishing to introduce cultural considerations into their administrative practices. Most of the other literature, as Burlingame suggests, merely provides a "menu of ideas".
The managerial roles are labelled "interpersonal, informational and decisional", whilst the problems are identified as "curriculum, facilities, district organisation, personnel and finances".

To apply this model to the ABC, one could redefine the problems as being "programmes, facilities, networking, personnel and finances".

Burlingame (ibid.) writes that the cultural perspective argues that there are identifiable themes or replica-masses which predominate certain periods of time or certain social institutions.

He continues that

at any particular moment in any particular culture there will be conflicts about what constitutes the prime objects.

Within the problem area of "programmes" of the ABC, the cultural perspective was very confused. There were many and varied "stories" confronting management.

Burlingame's (ibid) description of "stories" aptly suited the ABC experience.

Some of these accentuate the values of yesterday, others anticipate what the future may hold and still others hope to change the questions and answers of today.

ABC management had to decide upon which "story" best represented the internal culture of the organisation. Should the ABC live in past glories with a small but dedicated viewing/listening audience, or should it broaden its appeal
and capture a wider share of the market even at the risk of alienating the existing few? As the internal culture was never recognised, this question was never answered.

Another source of conflict within the ABC was the decision to save $10 million on salary budgets and inject that saving into capital equipment upgrading. The debate centred on the question of which resource is more valuable; human or hardware. "Facilities", identified as the second problem by Burlingame, is at the heart of the conflict. The cultural implication is one of image. Does the ABC need the electronic gadgetry that is so essential for slick, commercial presentations? Should the programmes be more staid in their presentation but better researched, written and acted? The answers to these questions clearly fell into management's cultural perspective of administration but was possibly never recognised as such.

The "district organisation" problem continues to be of major cultural significance to the ABC when one considers the argument concerning centralisation and decentralisation.

To truly reflect the culture of the nation as a whole, and to "contribute to a sense of national identity" as prescribed by the Charter of the Corporation in the ABC Act (1983, 5), it is important for the ABC to have programmes originate from all states or identifiable regions within the larger states. For reasons of efficiency and cost effectiveness however, the ABC's major programme efforts are centralised in Sydney and to a lesser extent, Melbourne.

The "stressed power of intimacy" described by Burlingame when referring to the local control of schools, is of equal importance to broadcasting. The myths and values held by the ABC staff in Hobart, probably for parochial reasons only, differ from those of colleagues in Sydney. These values make up the local organisational culture which must reflect in the local programme output.
The importance of understanding organisational culture was finally recognised, albeit too late to have been of much use during the critical three years of change which this dissertation examines. A statement issued by the Human Resources Directorate dated 26th February 1986, begins

The ABC is faced with massive challenges in managing its human resources in an increasingly complex and competitive environment. To meet these challenges the human resources function is crucial; it must become more responsible and accountable in helping reshape the ABC's response to its environment. This means transforming the 'corporate culture' of an institution which has grown over fifty years without the need to confront such a massive change in circumstances. The new ABC culture must place greater emphasis on organisational efficiency and accept structural change and flexibility of staffing policies and work practices as the norm rather than the exception.

ORGANISATION DEVELOPMENT AND INDUSTRIAL DEMOCRACY IN THE ABC

It is ironical that the staid old ABC that was in such desperate need of change, actually paved the way for many Australian organisations in the field of participatory styles of management, Organisation Development and semi-autonomous work groups. The "Double-Jay" (2 JJJ - FM) project which established a virtually autonomous radio group catering for a non-traditional ABC audience, attracted enormous attention from academic and practicing organisational theorists and behaviourists throughout Australia. This unit is still viable today as is the concept of a "Staff Elected Commissioner", now called a Staff Elected Director on the ABC's Board of Directors.
That pioneering work was accomplished in the 1970's and seemed to be disregarded during the major changes from 1st July 1983. Any reference to those experiences tended to be negative. The presence of the Staff Elected Director appeared to iritate the Managing Director with many of their disagreements being made public.

Industrial Democracy within the Australian Public Service and statutory authorities had no formal basis until the release of the Industrial Democracy and Employee Participation policy discussion paper in December 1986. However the concepts were well established as evident from the literature reviewed in Chapter 2. From memos cited previously in the Corporate Planning section of this chapter, it is obvious that ABC management were using the jargon even though the practice left much to be desired. This is highlighted by comments made by Clark and Aarons (1983, 5) ending with the exclamation, "So much for the participatory approach!"

The earlier use of Organisation Development by the ABC is in itself an interesting study. It was launched as a result of a request from the Staff Association in June 1971. By 1978 it had been tried in all state branches of the ABC and, as reported in the N.S.W. Branch Staff Association Newsletter it had been put into recess in N.S.W, abandoned in Tasmania and W.A., lost in a consultative committee in Queensland, ignored in S.A. and propped up in Victoria.

Any suggestion to use Organisation Development to assist in the post-July 1983 change process or merely to help make the organisational culture more amenable to change was met with a negative,

"Organisation Development? We tried that once and it failed!"
An attempt was made to determine why Organisation Development had failed within the ABC by Yerbury and Jackson (1982, 626). They identified obstacles encountered by other organisations, but observed the difficulties were accentuated by the geographically dispersed and occupationally diverse nature of the ABC leading to insufficient numbers of people involving themselves in the change process so that the ABC project did not rally on board the "critical mass" that would have resulted in the reversal of existing attitudes.

The long gestation period between the initial statements and the actual implementation of action planning groups, may have led to initial disillusionment, particularly as OD was described and touted as being action-oriented.

Other obstacles noted by Yerbury and Jackson (ibid.) includes a recognition that change could be achieved by other means, industrial action, for example. They further noted that there was a lack of understanding of concepts. It was pointed out that "the issue of employee participation frequently leads to fears of anarchy on the one hand or manipulation on the other."

Also some supervisory / managerial staff disliking the potentiality for "workers' control" and were not prepared to forego any of their traditional prerogative or control.

Yerbury and Jackson (ibid) recognised a feeling among management that "staff were not equipped through training, experience or orientation to be involved in organisational decision making." and commented that the attitude of intransigent supervisors being both a major stumbling block and an indictment of OD's capacity for instituting change.
Good supervisors continued to consult with and encourage subordinates, whilst poor supervisors still ignored the opinions and needs of staff.

The salient point regarding these obstacles, as far the focus of this dissertation is concerned, is that many of them could have been overcome through adequate staff training from senior management down. Yerbury and Jackson (ibid.) specifically refer to a lack of training, but undoubtably other obstacles noted existed as a result of ignorance which in turn could have been addressed through a comprehensive educative programme.

It is a pity that the early ABC experience of Organisation Development adversely affected the chances of its re-use in the later change process. Hugh Watson, as quoted earlier, observed that Organisation Development is itself a process which could provide necessary training strategies to move an organisation toward Industrial Democracy.

It is apparent that whilst a commendable attempt, the ABC's involvement in Organisation Development came too soon to be effective through a lack of preparation and staff awareness, and a proper understanding of Industrial Democracy either came too late or was ignored during the Whitehead years.

ABC LEADERSHIP

Obviously it is impossible to discuss leadership in the ABC during the period being examined without focusing specifically on Geoffrey Whitehead. Mr. Whitehead was appointed first Managing Director of the Australian Broadcasting Corporation on 31st October, 1983 and took up duty on 23rd January, 1984. He holds a diploma in International Affairs (London University) and after working on
British newspapers and news agencies, he joined the BBC in 1967 working in both radio and television. He joined Radio New Zealand in 1974 and was appointed its Director-General in 1976.

Mr. Whitehead's reputation was enhanced because he had successfully lead Radio New Zealand through a period of organisational change and was highly regarded throughout the world of broadcasting for this. His appointment to the position of Managing Director of the Australian Broadcasting Corporation at the beginning of a time of agreed major organisational change, was regarded by the Board as being most appropriate considering his recognised success in managing change.

As reported in the ABC Corporate Relations Department booklet, "ABC achievement and the implementation of Dix, 1983–1985", 175 of the 226 Dix recommendations given to the ABC Board and management, had been completed. It should be recognised however, that many of these recommendations were actioned very simply and did not constitute major change if any change at all. Two obvious "easy" examples are:—

Dix Recommendation No. 157.

"Hiring out of temporary unused studios and other facilities."

ABC Action.

"The ABC has been doing this for some years."

Dix Recommendation No. 158.

"Marketing of program rights overseas and in Australia."
"The ABC has been doing this for a number of years but efforts are now being accelerated."

Not all recommendations were as simple as those cited, but most did not meet the criteria determined for "organisational change" as suggested by Owens and Steinhoff (1976, 21) and discussed in Chapter 2. The major "organisational change" that did take place was the 1984 structural reorganisation. Without wishing to undervalue the management of other changes by Geoffrey Whitehead, the current assessment of his leadership using the researched literature for an "ideal" model, should focus on this significant aspect of the ABC's change.

There is no argument that much was achieved under Mr. Whitehead's leadership. However no other single event meets Owen and Steinhoff's (ibid.) criteria than the 1984 reorganisation. Those criteria suggested that for "organisational change" to occur, more than one of the following aspects of the organisation should change:—

its task
its structure
its technology
its people

All of these aspects of the ABC were to change during the reorganisation.

As the literature suggests, strong, effective leadership is paramount if such dramatic change is to be implemented successfully. Mr Whitehead's leadership style met few of the criteria emerging from the literature on the qualities displayed by organisational leaders during time of successful change.

His "out with the old; in with the new" policy displayed
a lack of understanding or concern for any existing organisational vision or culture. The infamous "night of the long white envelopes", mentioned earlier was evidence to the organisation that there was little regard for what had been.

Mr Whitehead's attempt at securing the remaining staffs' support in the development of a Corporate Plan was affected by this action. To preach consultation and practice the reverse led to much staff distrust.

Most communication from Mr Whitehead to A.B.C. staff was written and then infrequently. It was not uncommon for staff to learn of major events within the organisation by reading the daily press. Tasmanian staff complained that Mr Whitehead only visited their branch twice in the three years he was managing Director. Some Sydney staff, located within a few kilometres of the A.B.C.'s Head Office retaliated by saying that they had never once seen Mr Whitehead during his reign.

One of the "final straws" leading to Mr Whitehead's inevitable resignation was the dispute he had with the staff-elected Director, Mr Tom Molomby. A most bitter row, debated predominantly in the nation's press, ended with Mr Molomby taking legal action against Mr Whitehead. The public "airing of dirty linen" did little for staff morale. It was evident that Mr Whitehead did not approve of staff participation in management and lacked the trust necessary to make such democratic principles actually work.

It must be emphasised that Mr Whitehead did have a reputation of being a successful leader as evidenced from his Radio New Zealand experience.

His failure to repeat these successes within the Australian Broadcasting Corporation, supports the "contingency theory of leadership" proposed by Silver (1983, 153).
SUMMARISING THE ABC EXPERIENCE BY USING

THE FRAMEWORK FOR ORGANISATIONAL CHANGE

This chapter has detailed the ABC's change experience during its first three years as a Corporation. Reference has been made throughout to the theories of change management gleaned from the literature studied in Chapter 2.

The framework developed from these theories and presented at the end of Chapter 2 provides the best summary analysis of the theory compliance evident within the ABC's change attempt. The framework has been completed for the A.B.C. experience and is produced on the following pages. It is emphasised that the answers offered on the framework for the A.B.C. experience, represents the opinions of the writer and a few members of the A.B.C.'s staff in Tasmania only.

The reader is reminded that the greater number of questions which have been answered "YES", the greater the probability of successful organisational change. It is apparent from the number of negative answers provided on the framework relating to the ABC's experience, presented on the following pages, that successful and effective change was impeded. This is substantiated by the detailed comments in this chapter.

An interesting development of this project would be to distribute the questionnaire to a wider cross-section of A.B.C. staff and ascertain a more general perception of the attempted organisational changes. Such an exercise is beyond the limits of this dissertation.
## A Framework for Organisational Change

### 1. Change Strategies:

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Has the change to the organisation been planned?</td>
<td>✓</td>
<td>□</td>
</tr>
<tr>
<td>b) Is there evidence of prioritising organisational goals?</td>
<td>□</td>
<td>✓</td>
</tr>
<tr>
<td>c) Is there a provision for a support network to assist the change process?</td>
<td>□</td>
<td>✓</td>
</tr>
<tr>
<td>d) Is there a feedback and change evaluation process?</td>
<td>□</td>
<td>✓</td>
</tr>
<tr>
<td>e) Is the organisation prepared for the change?</td>
<td>□</td>
<td>✓</td>
</tr>
</tbody>
</table>

### 2. Corporate Plan

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Does a Corporate Plan exist?</td>
<td>✓</td>
<td>□</td>
</tr>
<tr>
<td>(If NO, do not continue in this section)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Does the Corporate Plan include:—</td>
<td>✓</td>
<td>□</td>
</tr>
<tr>
<td>i) goal setting?</td>
<td>✓</td>
<td>□</td>
</tr>
<tr>
<td>ii) policy making?</td>
<td>✓</td>
<td>□</td>
</tr>
<tr>
<td>iii) short-term plans?</td>
<td>□</td>
<td>✓</td>
</tr>
<tr>
<td>iv) medium-term plans?</td>
<td>□</td>
<td>✓</td>
</tr>
<tr>
<td>v) long-term plans?</td>
<td>✓</td>
<td>□</td>
</tr>
<tr>
<td>vi) budget implications?</td>
<td>□</td>
<td>✓</td>
</tr>
<tr>
<td>vii) an evaluation process?</td>
<td>□</td>
<td>✓</td>
</tr>
<tr>
<td>c) Does the Corporate Plan cover the entire organisation? (i.e. &quot;all-over-at-once&quot; planning)?</td>
<td>□</td>
<td>✓</td>
</tr>
<tr>
<td>d) Is the Corporate Plan interactive?</td>
<td>□</td>
<td>✓</td>
</tr>
<tr>
<td>e) Is the Corporate Plan the result of a participative process?</td>
<td>✓</td>
<td>□</td>
</tr>
<tr>
<td>f) Is the organisation's Corporate Plan a continuous process?</td>
<td>□</td>
<td>✓</td>
</tr>
</tbody>
</table>
g) Has the Corporate Planning process considered the environment in which the organisation operates? ☑

h) Have strategic and operational plans been clearly identified? ☑

i) Does the Corporate Plan belong to the entire organisation? ☑

3) COMMUNICATION AND CONSULTATION

a) Are these adequate and effective communication "channels" within the organisation? ☑

b) If so, are these "channels" multi-directional? ☑

c) Does the organisation discourage "short circuiting" communications channels? ☑

d) Does the organisation discourage specific exclusives from information sharing? ☑

e) Are staff who have a stake in the outcome of decisions allowed or encouraged to make an input into such decisions? ☑

f) Are staff who have an expertise in particular areas always consulted before decisions affecting those areas are taken? ☑

g) Is management open and honest with staff? ☑

h) Is information easily shared between management and staff? ☑

4) ORGANISATIONAL CULTURE

a) Is the "culture" of the organisation recognisable? ☑

b) Have the common beliefs and values of staff within the organisation been considered in view of the planned change? ☑

c) Have all accepted organisational conventions and courtesies been extended? ☑
<p>| | |</p>
<table>
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<tbody>
<tr>
<td><strong>YES</strong></td>
<td><strong>NO</strong></td>
</tr>
<tr>
<td><strong>d)</strong> If the organisation operates at more than one location, has allowances been made for variances of cultures?</td>
<td></td>
</tr>
<tr>
<td><strong>e)</strong> Have staff been encouraged to express their &quot;vision&quot; for the organisation?</td>
<td></td>
</tr>
<tr>
<td><strong>f)</strong> Have staff visions been considered in the planned change process?</td>
<td></td>
</tr>
<tr>
<td><strong>g)</strong> Does the organisation's management share the common culture of the organisation?</td>
<td></td>
</tr>
<tr>
<td><strong>h)</strong> Are staff committed to the success of the organisation?</td>
<td>✔</td>
</tr>
<tr>
<td><strong>5) PARTICIPATIVE MANAGEMENT</strong></td>
<td></td>
</tr>
<tr>
<td><strong>a)</strong> Do workers participate in decision making processes which effect them?</td>
<td></td>
</tr>
<tr>
<td><strong>b)</strong> Do formal work teams exist?</td>
<td></td>
</tr>
<tr>
<td><strong>c)</strong> Are all groups and key personnel represented in organisational decision making?</td>
<td></td>
</tr>
<tr>
<td><strong>d)</strong> Are group interactions easy?</td>
<td></td>
</tr>
<tr>
<td><strong>e)</strong> Are staff sharing authority and responsibility with management?</td>
<td></td>
</tr>
<tr>
<td><strong>f)</strong> Is the staff &quot;satisfied&quot; with their work?</td>
<td></td>
</tr>
<tr>
<td><strong>g)</strong> Is productivity up to the level it could be?</td>
<td></td>
</tr>
<tr>
<td><strong>6) LEADERSHIP</strong></td>
<td></td>
</tr>
<tr>
<td><strong>a)</strong> Does the leader have the same &quot;vision&quot; for the organisation as the staff?</td>
<td></td>
</tr>
<tr>
<td><strong>b)</strong> Does the leadership style suit the organisation's culture?</td>
<td></td>
</tr>
<tr>
<td><strong>c)</strong> Does the leadership style suit the situation?</td>
<td></td>
</tr>
<tr>
<td><strong>d)</strong> Is the leader a good communicator?</td>
<td></td>
</tr>
<tr>
<td><strong>e)</strong> Is the leader a good listener?</td>
<td></td>
</tr>
</tbody>
</table>
f) Does the leader allow involvement in decision making?  

  YES  NO


g) Is the leader "in touch" and understanding of the history and culture of the organisation?  

  NO  YES


h) Does the leader focus on key issues and variables?  

  NO  YES


i) Does the leader express strong feelings about attaining the organisation's purpose?  

  YES  NO


j) Does the leader trust others?  

  NO  YES


k) Does the leader approach problems in terms of the present and future?  

  YES  NO


l) Is the leader capable of continuing without approval and recognition from others?  

  NO  YES
A FOCUS ON TRAINING

The synthesis of the work done by Katz and Kahn presented in Chapter 2, condensed the change strategies into three major areas: Training, Group Dynamics and Communication.

Chapter Three examined the ABC change experience focusing on corporate planning, organisational culture, OD and ID and leadership. Throughout, considerations to the three major change strategies, although often latent, have existed. Group Dynamics, though apparently often mis-managed, were evident in the corporate planning, organisational culture investigations and the Organisation Development programme.

Communication, though not as effective as it should be, was also present. This was discussed briefly in the section dealing with ABC leadership.

Training is the change strategy which has emerged under-utilised or completely ignored in all sections of the record of ABC change. This is most surprising considering that organisational reviews of the ABC, including the Dix Report, all emphasised a need for broadened and improved training.

From late 1973 to late 1975, the Training and Organisation & Methods Departments carried out a study of immediate and long-term ABC staff training requirements with particular reference to policy and organisation. Submissions from the Training Department itself and representations from the Staff Association and OD Action Planning Groups had all suggested that the ABC needed to re-assess needs, priorities, facilities, organisation and training establishments.
The study concluded that training in the ABC should consist of:

- Head Office formal courses
- Branch formal courses
- Seminars, conferences, etc.
- 'After Hours' opportunity training
- On-the-Job training
- Job rotation
- Acting duty
- Exchanges and attachments
- Outside courses
- Study assistance — tertiary and post-graduate.

Their report, ABC Training and O&M Department (1975, 13) suggested the following Training Charter,

- To provide ABC staff with appropriate internal training in those skills which are necessary for effective and efficient operations and the maintenance of high standards.

- To establish procedures and/or provide instruction aimed at assisting supervisors to familiarise new staff with an effective understanding of relevant operations and procedures.

- To assist staff to develop their potential and further their career aspirations by affording them opportunity to extend their knowledge, skills and/or experience into areas to which they appear suited by ability and aptitude, within limits and priorities governed by the needs of the organisation for staff of the categories concerned.
Yerbury and Jackson (1982, 464-465) suggested that an extended ABC training scheme encourage behavioural changes and shifts in managerial style, particularly when it involves experiential-type educational processes.

They continued by suggesting problem-solving workshops as being effective in staff development of this kind, as well as in terms of the 'task' outcome (and spin-offs such as team-building). Also recognised was a need for is on-the-job development, which involves systematic and informed counseling activities of a standard and type not yet readily available in the ABC. Yerbury and Jackson (ibid.) also discussed 'learning by example', requiring "informed, expert, consistent and sustained commitment to improved industrial relations and staff management, from the top down". Finally, they emphasised the need for adequate training concerning any changes to the law, procedures or practices with respect to industrial relations and staff management. Some of the changes recommended included processes in the areas of selection, promotions, appraisals, induction, disciplinary action, grievance processing, and equal employment opportunity. Finally they observed that "the Training Centre has an important role to play in achieving a fresh start in industrial relations and staff management in the ABC."

There is further evidence of a perceived lack of training appropriate within the ABC. Morrison (1980, 7.4) wrote

Clearly there could be a great deal of rationalisation in training if the permanent training staff and facilities were not considered an entirely technical training resource and their role were extended within the ABC.
This is recognised at least within the Engineering Training Department staff who see a need particularly outside Sydney to maximise the use of the training resource of the ABC. This eagerness to accept new tasks should not be lightly dismissed as 'empire building' as the staff in these centres have a genuine commitment to training as a means of introducing change without conflict.

A Training Policy was discussed by Morrison (1980, 7.9), who observed that "at a time of relatively high unemployment skilled staff were still at a premium. The techniques and technology in broadcasting were rapidly changing and in such an environment training should be given a high priority in a technologically-based organisation such as the ABC. Morrison (ibid.) suggested the training of management, producers, designers, cameramen, editors and other skilled groups should be undertaken in such a way as to allow greater individual contribution to the ABC's objectives.

He further suggested it was inappropriate to leave such decisions to the trainers alone as the supply of skilled staff is dependent on the program policies and hence the overall needs of the ABC. It thus warrants concern in the policy sense at the highest level of management. It is only when directions are known that training can be effective.

An Engineering Working Group discussion paper, dated 23rd July 1982 stated

Training efforts should be attuned to the real needs of the organisation and should be less dependent on external constraints, particularly in the short-term. Greater flexibility is needed in recruitment policy so that entry may be acceptable at various levels in a structure. By making provision for entry at other than the lowest level,
internal training schemes can be more frequently directed as new technology rather than at elementary broadcasting skills.

Thus, there were many prior indications that Training was an important service department to the ABC, and that it may provide a supportive role during times of change.

However, during the Whitehead era, Training was largely ignored. A Head of Television Training was appointed early in the reorganisation, but the equivalent position in Radio did not have an exclusive occupant until March 1987, three months after Whitehead's departure. The Corporate areas, although nominally under the Television umbrella were never adequately catered for federally, and at the time of writing still have not been covered. Access to basic management courses such as communications skills, staff selection and counseling procedures is very limited; virtually non-existent outside Sydney and Melbourne.

Dix (1981, Section 21.117) recommended a full scale review of training activities in the ABC, and an amalgamation of the various training groups in the ABC. The review was reported as being complete in July 1984 in the ABC Corporate Relations publication "ABC Achievements and the Implementation of Dix, 1983-1985".

However, the report did have some reservations. It stated, for example

The rate of implementation of the major recommendations (re Training) is dependent on available resources, but is being given a high priority.
Also,

Management training will remain in a central training body but programme training will move into the separate mediums of Radio and Television.

As mentioned above, only the Television part of the report was fully operational at the time of Whitehead's departure.

Whilst acknowledging that resources were limited, it seems ironical that the implementation of some of Dix's major recommendations relating to Training were retarded "dependent on available resources". The entire change programme recommended by Dix may have benefited from an emphasis on this recommendation being a pre-requisite to the successful implementation of the remaining 272 recommendations.

The Training Review itself, fell short of staff expectations. Clark and Aarons (1983, 9) on discussing "most of the senior management", observed

Nor do they appear to believe in the other important aspect of modern management practice - the representative system. The failure to provide for staff representation on the Training Review ...

Training, it appears, was off to a bad start!

During 1986-87 training and development needs will be analysed in all Divisions and States and training budgets will be established.

An important new initiative to be undertaken within the corporate planning period 1986-89 will be a training program for management/supervisory staff which will stress openness to new ways of doing things, creative and flexible approaches to organisation, team building and continual re-evaluation of how things are done. Resources planning will be another important area for management training in the light of the process of decentralisation.

Perhaps this is a classic example of "doing too little, too late".

CONCLUSION

As stated earlier, the primary aim of this dissertation was to study the ABC's management of the changes instigated by the Dix Committee recommendations. This management of change was to be analysed against criteria identified from the contemporary literature available on the subject of change management.

This was done with a stated observation that, assuming the theories to be correct, the basic non-compliance with these theories exemplified by the ABC's experience, jeopardised the change process's probability of success.
Further, this dissertation attempted to determine whether training was used as an effective tool to achieve organisational change.

The theories explored did not suggest that training was more or less important than other elements of change process considerations. Training was implicit in much of the material studies. However, deficiencies in the ABC's commitment to training were detected and reported. Rectification of the training deficiencies alone would not have aided the ABC's change experience.

Attention to the deficiencies identified on the framework completed using the ABC's experiences have obvious implications for Training.

Addressing the perceived Training deficiencies in tandem with the shortcomings identified by the framework would enhance the organisations probability of achieving successful and effective changes in the future.
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<tr>
<th>Author(s)</th>
<th>Title</th>
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