CASE STUDY 3

Developing and Implementing a Strategic Business and Re-structuring

THIS IS A SUMMARY OF A PROGRAMME IN A PUBLIC SECTOR ORGANISATION IN PAPUA NEW GUINEA

PROGRAMME SUMMARY

This WAL programme involved the development of a strategic business plan and the implementation of restructuring in a government based organisation in Papua New Guinea in a developing country to bring about change in the way business was conducted, with the ultimate view of improving the delivery of services. The WAL approach using the Action Research method in this programme includes two major cycles of planning, acting, observation, reflection/evaluation, and validation. The process of this WAL programme can be a useful approach for the managing of change where CEOs and senior managers could enable the departments in the organisation to explore and devise the implementation required for change in the organisation.

PROGRAMME BACKGROUND/PROBLEM

The management of the organisation believed that it was necessary for it to undergo organisational and departmental restructuring in order to deliver quality service to the people of the country. The change strategy was introduced through a Work-Applied Learning (WAL) programme using Action Research (AR) method and Action Learning (AL) process.

The purpose of the WAL programme was to establish a strategic business plan for IRC and restructure the IRC through a WAL approach using an Action Research process and Action Learning process. This process involved a group of senior managers.

PURPOSE OF THE WAL PROGRAMME

The Action Research Group (ARG) was the CEO and senior managers in the organisation. The ARG was responsible for the planning for the following outcomes for organisation:

- Establishment of a strategic business plan and restructuring the organisation
- Implementing these plans, and
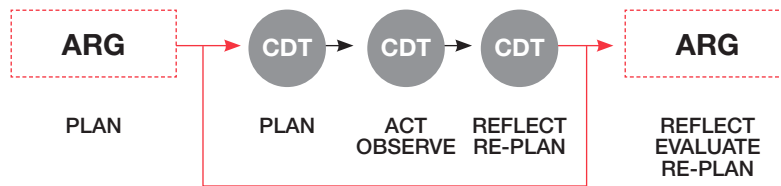- Observing and reflecting on the progress of these activities

THE DEVELOPMENTAL STAGE

There were two major cycles, the first for the strategic planning phase and the second for the restructuring phase.

The Cross Divisional Teams (CDT) were Action Learning teams, made up of divisional heads and senior managers of the fourteen Tax, Customs and Corporate Services departments based in Port Moresby. The role of the CDTs was to participate in the review of the strategic business plan and the re-structuring of their respective divisions and to present these details at the CDT meetings. These meetings were also attended by the CEO and ARG members.

The internal validator of the project was the CEO, and was involved in triangulation of data which was gathered and analysed by the ARG and the CDTs. The Department of Personnel Management (DPM) was the external validator of data presented to it by the ARG on the development of the strategic business plan and the implementation of the restructuring process. Another group of external validators were three former CEOs of the organisation.

This restructuring project had two Major Cycles and multiple Mini-Cycles during which the ARG and the CDT developed the strategic business plan and implemented the restructuring process in the organisation.

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   ARG   →   CDT  →  CDT  →  CDT  ⇢    ARG

   PLAN      PLAN     ACT     REFLECT    REFLECT
                     OBSERVE  RE-PLAN    EVALUATE
                                         RE-PLAN
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During Major Cycle 1, the management of the IRC was asked to consider and undertake a review of the organisation's structure. At the end of Major Cycle 1, the ARG members and the CDTs presented the strategic business plan to the former CEOs and the current CEO as validators of the plan.

The planning and development phase involved the establishment of the organisations strategic business plan through five Mini-Cycles.

Mini-Cycle 1:
The first task of the ARG in the implementation of the restructuring process was to establish its role and the role of the stakeholders.

Mini-Cycle 2:
The CDT heads and their managers were required to revisit a previous draft strategic business plan, review their own divisional structures and discuss succession planning to prepare for the workshop.

Mini-Cycle 3:
Most divisional representatives presented their objectives and strategies. The CDTs analysed the proposals, reflected on the discussion and agreed that all objectives and strategies be sent to the ARG.

Mini-Cycle 4:
The ARG presented the draft objectives and strategies of all divisions. The CDT members discussed the objectives and strategies. They encouraged all the CDT members to reflect upon the knowledge of strategic planning in the context of their project.

Mini-Cycle 5:
All final submissions from divisions were received. Each submission was reviewed to ensure that divisional objectives and strategies were correctly presented. A strategic workshop was held away from the office which allowed every member to meaningfully participate and discuss the issues without the distractions of day-to-day matters.

This Major Cycle saw the establishment of the organisation's strategic business plan. The cycles of planning, acting, observation, reflection and evaluation occurred at the level of the CDTs and ARG.

THE IMPLEMENTATION STAGE
Following the development of the strategic business plan, Major Cycle 2 involved the implementation of the restructuring process over five Mini-Cycles.

Mini-Cycle 1:
The ARG began work on the restructuring process. Concepts and models of restructuring in organisations were presented by the Facilitator and reflected upon. The ARG noted that over a period of more than twelve months, there would have to be a number of meetings to deal with the restructure of the IRC or at least some areas of it. The ARG members observed and reflected on meetings with the CEO and events which had transpired during the course of the cycle.

Mini-Cycle 2:
Two years after the development of the strategic business plan, the submission to the DPM was awaiting the CEO's approval. The ARG was tasked with facilitating the restructuring exercise, monthly meetings with divisional heads, and regular meetings with senior management to provide progress updates.

Mini-Cycle 3:
The first model discussed was to restructure by functions. It was agreed that the ARG would develop a set of questions for staff to consider when undertaking restructuring activities. The ARG then met to develop a set of provoking questions for stimulating discussion among staff when they discussed proposals for a new structure of the organisation.

Mini-Cycle 4:
The ARG was expected to develop a model that encompassed all the agreements and differences that resulted from the discussions of the third restructure meeting. The members agreed to take the two models to a meeting with the current CEO and the two former CEOs.

Mini-Cycle 5:
No progress appeared to have been made for almost six months. Another restructure meeting was planned and attended by all CDT members. The meeting reflected on the discussions.

This was the final Mini-Cycle of the programme and saw the CEO and members of the ARG and CDT decide on the organisational structure that would be used to carry out its core functions.

PERFORMANCE OUTCOMES

The purpose of the WAL programme was to:

1. Develop and establish a strategic business plan for the organisation
2. Implement the plan and the restructuring of the organisation, including succession planning, and
3. Undertake the above activities using an ARAL approach.

This WAL programme proved that change can be introduced with the full participation of staff at all levels of the organisation.

PROJECT OUTCOMES
The WAL programme at the organisation achieved the following project outcomes:
- It dealt with problems and developed a business plan and a structure;
- It has helped to develop a greater understanding and appreciation of the ethics involved in work practices
- It has broken down some of the hierarchical barriers that separate executive management and other staff

Other organisational outcomes are:

- The development of the strategic business plan;
- A structure designed along functional lines
- A Board reporting to the CEO
- The expected support from the merging of two independent divisions whilst according autonomy to the two organisations.

PROCESS OUTCOMES
- It has proven itself as one organisation in which staff came to develop a better understanding of their roles and thus improve work practices
- It has helped to examine the 'habits' that have developed — what staff are 'really' doing in the work situation or in management practices.
- Helped to develop a greater understanding and appreciation of the ethics involved in organisational work practices;

LEARNING OUTCOMES
There were positive outcomes for the organisation and the staff members who participated in the restructuring process using the ARAL method. The benefits for members of the ARG and the CDT related to working in teams, learning from each other, broadening their perspective beyond their own functional realms and building their confidence in decision making and leadership roles.

This was attributed to the continuous evaluation of outcomes in each cycle where problems were encountered and plans were made to take corrective action to deal with them. This WAL programme has proven that change can be introduced in Service organisations using the ARAL method for problem solving and knowledge development.

The learning outcomes included the modification of norms to allow senior managers in the CDTs to participate in the discussions and decision making process, even though adherence to the culture required listening to elders as a sign of respect and acceptance of their decisions.

ARG and CDT members learnt to work in groups, learning to resolve problems in teams and developing plans, and problem-solving and decision making techniques.

There are lessons to be learnt in this WAL programme using ARAL in the context of individual learning, group learning and organisational learning which have impacted on organisational change.

- It has helped to build stronger collegial relationships within the organisation
- It has provided alternative ways of viewing and approaching work problems with new ways of seeing work practices and
- It has led to better learning.
- Helped staff learn about Action Research and Action Learning and developed competence and confidence with change management.

REFLECTIONS ON WAL PROGRAMME

The CEO's involvement impacted upon the restructuring process. The CEO provided leadership for the restructuring of the organisation. He appointed the ARG to lead the restructure process and was made aware throughout the restructure process of the frustrations and delays in moving consistently ahead with the establishment of the strategic business plan and implementing the restructuring process.

The role of the Facilitator in this WAL programme was to observe and be a stakeholder in the process of establishing the strategic business plan and the restructure of the organisation, including succession planning, using the ARAL method. The Facilitator worked closely with the CEO, and with members of the ARG and CDTs, to resolve the problems. As a delegate of the CEO, the Facilitator was both a leader and an adviser.

In this case, the Facilitator did not undertake the traditional tasks of facilitator and participant observer. Instead, he took on the additional responsibility of being the leader and advisor in the absence of the CEO and his two deputies. The Facilitator had to spend time building up goodwill with these stakeholders on the occasions when he had to play the role of the leader.

The WAL programme focused on the development of a strategic business plan and the restructuring of the organisation, including succession planning. It involved the participation and contribution of members of the CDTs and their staff, and the support of the executive management of the organisation under prevailing conditions.

This WAL programme demonstrated the challenges of introducing change when there was a critical need to restructure an organisation but there was no strategic business plan to help with direction and implementation.

Material summarised from Abraham S 2015, Work–Applied Learning for Change Adelaide SA