



The changing nature of work

Workforce productivity



Change management in a complex world

With continual transformation essential to ensure organisations stay relevant, the way change is communicated and keeping people engaged are vital to ensure productivity and success – both during and after the change process.

If organisational change was once internally instigated and steadily executed, it is now more likely to be externally forced and furiously actioned.

“Technology has entered the workforce and changed everything from how we relate to each other, to customers, to how we use services – it is impacting everything,” says Catia Davim, Partner, People & Change, KPMG.

“It means that organisations need to change, adapt and be far more agile than they were 10 years ago. The disruption to all industries is happening in a faster way.”

To remain relevant in this environment, change programs must focus on productivity, competitiveness, innovation and customer centricity. However, while these goals can be clear, the change process is often poorly managed, and the opposite outcomes can occur.

“Organisations can be quite good at appointing a program director and the structure to drive the program forward. But they forget about business engagement, and how to make sure the change delivers for the organisation, and to engage the organisation to achieve the outputs,” Davim says.

Layers of change

Effective change management is vital when there is a single transformation program under way, and even more so when there are complex, diverse changes occurring at all levels of an organisation.

“Even on a business-as-usual program, there can be the need to change capabilities and functions of

organisations,” says Julia Rouse, Director, People & Change, KPMG. “You could be looking at, what does a certain business function need to do in the future, and how do we drive capability change in that area? You could have overall strategic change, and departmental change such as finance or HR transformation.”

A scenario like this can make an organisation appear to be continually in flux – creating concern for staff, investors and customers.

“It can be perceived that the organisation has a long history of change and inconsistency of direction, when the top management is just trying to adjust to the market demands,” Rouse says.

The goal of many change programs is to enhance productivity, but the irony is that productivity can be the biggest victim if transformation is not handled well.

“If change is badly communicated across the organisation, it leads to change fatigue, confusion, loss of productivity and a lack of understanding of what the organisation is doing,” Rouse says.

Communication is key

To prepare an organisation for change and to foster continued productivity throughout the process, communication is vital, Rouse says.

“Many organisations don’t realise the amount of investment required to actually get people engaged. It’s a lack of awareness of the complexity of people, and how we get change to happen and the investment required.”

Davim adds: “People are our common denominator. It is about designing interventions that reach out to the people that are doing the new programs, no matter where they are in the business.”

This communication must stem from leadership, with the strategy, direction, purpose and expected outcomes key to the message.

“The number of times I’ve spoken to leadership teams about their purpose for change, and I do not get the same answer, is large. They need to be aligned. Without it, it will be impossible to cascade the message and tailor it for different groups,” Rouse says.

Poor communication about change can be damaging to productivity, morale, staff retention and the company’s reputation.

“It is very easy for one mixed messaging to cause a loss of trust and uncertainty in an organisation, and it takes a lot longer to rebuild that trust,” Rouse says.

Strength in middle management

Upper management can benefit from aligning the insight of middle management to ensure the transformation stays relevant to the front line staff.

“If the organisation relies on upper management, it can get stuck. They can be looking to the leader and waiting for the solutions. The best change programs are the ones that engage the whole organisation around creating the solutions,” Davim says.

Once leadership communication is established, middle management is on board, and the front line are engaged, the roll out of change should be tailored for each purpose.

“If you are looking to implement policy change, you will take a top down approach, if you are looking into cultural change and to drive innovation, you need to follow a bottom up approach,” Davim says.

Productive process, productive result

With change essential to survive competition, effective change management is vital to ensure the successful execution of transformation programs. Whatever the change goal, communicating the reason and process, and engaging people along the way, should never just be an ‘add on’ consideration.

“Change management needs to be an integrated part of any business transformation solution,” Rouse says.

kpmg.com/au/natureofwork

The information contained in this document is of a general nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. It is provided for information purposes only and does not constitute, nor should it be regarded in any manner whatsoever, as advice and is not intended to influence a person in making a decision, including, if applicable, in relation to any financial product or an interest in a financial product. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

To the extent permissible by law, KPMG and its associated entities shall not be liable for any errors, omissions, defects or misrepresentations in the information or for any loss or damage suffered by persons who use or rely on such information (including for reasons of negligence, negligent misstatement or otherwise).

© 2017 KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Liability limited by a scheme approved under Professional Standards Legislation.

March 2017 VIC N15173ADV