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Managing Change in Australian Universities

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Executive summary

In the evolving Australian higher education landscape, universities need to be able to implement transformational change on an ongoing basis. However, they face unique workforce and cultural conditions that complicate managing change. These include heavily unionised workforces, academic allegiance to their discipline over their employer and a culture of consensus-based decision making. This means universities that only make token efforts to engage their employees or ignore resistance to change are unlikely to be successful at implementing change. In fact, war stories of failed implementations permeate the sector, associated with great costs – in time, resources, distraction from core research and teaching, and the often undermentioned expenditure of political capital.

Instead, universities must choreograph their approach to delivering change, tailoring it to specific circumstances that allow them to work with, rather than against, the tide. To do this, they need to create an approach that encourages authentic debate between broad cross-sections of academic and professional staff members. They must also weigh up the impact of the proposed change on the different objectives of internal stakeholders and allow this to inform decision making.

Universities can also gain valuable insights into the underlying causes of resistance and how to overcome it by engaging with ‘influencers’ from the employee body. Formal leadership, including Deans and Heads of School, should be given the support they need to lead the change and grow on-the-job capability. At the same time, local change leaders (for example, from an individual faculty or school) must be allowed to adapt change initiatives within limits. In this way, universities can give nuance to the change that will be realised within individual departments or schools.

Above all, universities need to focus on preserving and strengthening those cultural traits that engender pride among employees and lean on these to drive successful change.



In this paper, we offer practical tips for universities embarking on significant transformational change. They are based on our experience observing and supporting university change programs.

An industry under pressure

Universities in Australia are under pressure to change in a variety of ways. Uncertainty in the regulatory and funding environment is putting pressure on costs. Research is becoming increasingly competitive and expensive. And competition among universities and non-traditional higher education providers (NUHEPs)¹ for students is intensifying, both domestically and internationally.

At the same time, demographics are shifting. Domestic undergraduate growth has plateaued at approximately 1 per cent per annum², while the number of international students is expected to continue growing. Meanwhile, students have growing and changing expectations of how they connect with both universities and education. This includes an increasing focus on digital skills, employability and lifelong learning.

In response, many universities are engaged in major change programs that will have a significant impact on their greatest asset: their people. They are redefining their strategies, reassessing their size and shape, and often preparing to expand domestically and internationally.

As part of this change, universities are increasing their focus on academic performance (see our [viewpoint on academic performance](#)), reorganising roles to have either a research or teaching focus, and raising the expectations on academics to collaborate with other faculties, communities, international networks and industries. At the same time, academics must cope with changes in curricula, program architectures and academic calendars. And they must integrate digital solutions into their teaching and assessment.

Universities are also seeking to change how professional staff are organised and operate. In most cases, these changes involve greater consolidation and specialisation in faculties and the chancellor. Meanwhile, both academic and professional staff have to adjust to a new era of cost consciousness and restricted spending.

These changes not only significantly impact the roles of university staff, but also require them to shoulder the burden of adapting to change throughout the transformation period. Staff must perform as if it's 'business as usual' while adjusting to their new conditions, and supporting their students and teams through the change. This may involve changing what they do and have done for years.



¹ In August 2018, there were 127 registered NUHEPs in Australia. The number of private NUHEPs has grown significantly since 1999, when there were 78, to 105 in 2018. *Mapping Australian Higher Education 2018*, Grattan Institute.

² *Future Demand for Higher Education in Australia – Group of Eight Australia*.



Poor communication leads to extensive strikes

One east coast university's plan to launch a performance management system for academics sparked multiple strikes. These spanned several days and included almost 10 per cent of staff. Some academics viewed the proposed system as intrusive and counterproductive. Generally, they felt they were being 'micromanaged'. An internal survey revealed that 75 per cent of staff felt leadership did not listen to them and had failed to communicate the rationale for the change. Over 80 per cent of staff stated that the university had mishandled the change. Ultimately, the performance management system wasn't introduced.



Insufficient consultation results in months of fury

A large, research intensive university planned to transform its operating model to generate savings that it would invest in world-class infrastructure and information technology. The university announced its plans and associated redundancies immediately before Christmas, generating fury among staff and negative publicity. The National Tertiary Education Union (NTEU) lodged a complaint with the Fair Work Commission (FWC), stating that the university had not met its obligations to consult staff. The FWC directed the university to enter a consultation process with staff and the union. Agreement about redundancies was eventually reached, but only after a year of tension and the development of mistrust in management.

Roadblocks to change

Given the extent of this change and its impact on university staff, it is not surprising that many universities are struggling with their transformation efforts.

For example, one university's attempt to introduce a performance management system for academics led to major strikes. This caused further tension between academics and management, and impacted the overall willingness of staff to buy in to the changes.

At another university, staff felt they weren't sufficiently consulted before major changes to the university's operating model were announced. This has made it difficult for management to retain and attract the number and calibre of staff it required.

A third university faced months of delay when rolling out plans for specialising research and teaching roles, after academics asked for fair treatment and a clear rationale for the change (see side boxes for additional examples).

While driving transformational change is difficult for any organisation, universities face their own unique cultural and organisational challenges.

University norms and a highly mobile and unionised workforce fuel resistance to change

By virtue of their everyday roles, academics have a passion for finding and arguing the right answers. When applied to change scenarios, robust debate in the search for perfection can impede progress. At the same time, a strong culture of collegiality often leads to an unwillingness to make 'tough calls' that could impact colleagues. Unlike in corporations, where individuals who resist change often can't muster sufficient scale to influence decision making, in the tertiary sector unions have significant bargaining power to influence management's decisions about the scope, depth and nature of proposed changes. This is complemented by a highly engaged workforce with the luxury of being able to easily change roles if they want to.

Decision making is complicated by multiple objectives and consensus-driven governance

For-profit organisations often have a clear overarching goal – for example, improving shareholder value. Universities (like many public sector organisations) have at least four objectives that operate in parallel:

- Educating the minds of the future
- Driving frontiers in knowledge through leading-edge research
- Delivering beneficial societal, community and global outcomes
- Operating in a fiscally responsible manner

University stakeholders often prioritise these differently or have different interpretations of what they mean in practice. This challenge is magnified by the need for general agreement, which impedes decision making.

Roadblocks to change (cont'd)

A 'federated state' of authority creates fragmentation

Universities operate with a range of operating models, including allowing individual faculties to make significant decisions or having more centralised decision making. There is often a level of general distrust of central management and scepticism about whether administrators have a good understanding of the various faculties and schools, let alone whether they align with their aspirations. Academics often have a greater allegiance to their discipline than they necessarily have to their employer.

Poor communication amplifies the difficulty of driving change across this kind of structure. Traditional information cascades often fail in universities, making it harder to overcome resistance to change. In some cases, leadership conflict between management, Deans, Heads of Schools and staff can make it difficult to implement change. Where corporations tend to unite around financial performance levers, such as bonuses, the motivating levers are much more fragmented and complex in universities. For example, these might be a combination of prestige, tenure, right to academic freedom, seniority, pay and even office space or access to parking.

Managing change is obstructed by mixed capabilities

Change management and human resources capabilities often don't receive appropriate funding in universities. If change management resources exist, they are often geared towards project management. Deans and Heads of Schools typically have limited experience or appetite to lead transformative change. People in these leadership roles are often selected for their academic impact rather than their managerial experience. At the same time, the culture of collegiality in many universities means they may soften in the face of dissent.

Treating culture as a singular concept and problem for the university to overhaul

Faced with a shifting landscape, university leaders increasingly see culture as an impediment to change and something that needs overhauling. However, this view fails to recognise that cultural change is typically slow and incremental, and needs to start by building on elements of the existing culture. Additionally, attempts to rapidly change culture can be met with resistance and frustration. When there is resistance, the leadership can be tempted to try to cancel the noise. However, this only serves to amplify it.



Resistance to change delays restructure

One innovative research university initiated a major restructure with the aim of bolstering research rankings and improving its international rankings position. In a second phase of the transformation, the university announced it was splitting up research and teaching positions. Feeling entitled to hold both teaching and research roles, academics resisted. They claimed there was a lack of evidence for the effectiveness of the proposed solution, saying the university was attempting to 'game the system' to improve research rankings. Working with the NTEU, the academic staff lodged a complaint with the FWC, which halted the restructure for two months. The FWC eventually allowed the university to proceed with its plans.



Significant change forces pay concessions

After experiencing significant financial losses, thanks to increasing costs, ballooning drop-out rates and falling student enrolments, a city-based university realised it needed to restructure its curriculum to return to a viable financial position. It decided to restructure the organisation at the same time – a change which improved the financial position. However, the changes increased staff workload by 18 per cent. This led to several strikes and a significant delay in the renegotiation of the university's enterprise bargaining agreement. This is yet to be resolved. The university has also been forced to make a number of concessions in the bargaining agreement, including offering greater pay increases.



Lack of staff consultation undermines trust

Following declining student enrolments, a regional university was forced to cut costs to remain profitable. The university went through a series of restructures that led to redundancies. Staff members felt they weren't properly consulted or given enough information about why the cuts were occurring. The NTEU filed an industrial action order. At the same time, the staff's trust in management was significantly damaged. When a leading academic at the university was fired for reasons unrelated to the restructure, staff felt the termination was wrongful and called for the Vice Chancellor (VC) to resign. The VC did not step down and tension at the university remains high.



The case for establishing Customer Service Committees

Some universities are soliciting diverse perspectives by establishing Customer Service Committees. These committees are typically established to

- Consult on design and service considerations
- Provide oversight and track performance
- Identify opportunities for improvement
- Help overcome roadblocks

These committees represent the customers of a functional area within the university and usually feature a large proportion of representatives from the faculties. For example, the chair may be the Dean or Faculty Executive, with other committee members including functional leads and other faculty voices.

Best practice includes ensuring members have a clear understanding of their purpose on the committee, membership remains at a manageable level (ideally fewer than 10 people) and the committee takes a university-wide perspective on issues. Committee members also need to be able to leverage data to inform decision making, and ensure an action orientation by defining a focused agenda with specific inputs and target outputs.

Strategies for transformative change

To successfully manage change, universities must act proactively to ensure academic and professional staff buy-in by following these tips:

Choreograph your engagement to enable authentic debate

- Plan your approach upfront, drawing on a cross-section of staff, including academics and professional staff, to help shape early proposals.
- Determine your approach for working with staff and unions – genuine engagement is more likely to succeed than minimum compliance with enterprise agreements.
- Make the messages you want to communicate more specific over time – start with your vision, moving on to the case for change, options and analysis, your proposed strategy and the impact it will have. Share details when your proposals are sufficiently robust to debate.
- Allow enough time for meaningful debate and genuine consultation.

Weigh up the different objectives of internal stakeholders

- Ensure you understand the impact of the proposed changes on different stakeholders' objectives and use data to make the trade-offs between them obvious.
- Express what it is you are hoping to achieve and the maximum negative impact you'll accept – (think "we will not do this if ...").
- Consult a diverse group of experts with different objectives to help inform decision making. This will help to identify potentially damaging impacts early. They may even become advocates for change.

Allow local leaders to adapt change initiatives within limits and listen to 'influencers'

- Allow generous timeframes for engagement – it is nearly impossible to over-engage. Be prepared for robust dialogue.
- Identify a core group of formal change leaders and ensure they remain aligned and resilient about what you're hoping to achieve¹.
- Select additional change leaders to adapt and localise the change within agreed parameters. If change is tailored for their circumstances, these leaders are more likely to support the change or even advocate for it.
- Identify influential individuals who are not necessarily in formal leadership positions but know how to get things done in their school or faculty. Their insights on the underlying causes of problems or areas of resistance, and input on how to overcome them, will be critical.

¹ For example, at one University a 'tight five' – consisting of the Vice Chancellor, Chief Financial Officer and three other senior staff members – was the central driving force of the transformation. Success required their alignment on a day-to-day basis, and they were able to mutually reinforce one another in the face of robust challenge.

Strategies for transformative change (cont'd)

Build transformation leadership capability with dedicated support

- Embed dedicated change business partners in specific areas (for example, one per faculty or school). This will help enable the communication of relevant information about the proposals, training, local translations of change plans, and real-time feedback loops to central teams. Importantly, these partners can provide coaching and guidance on how to lead the change to Deans and Heads of Schools.
- Articulate the transformation leadership capabilities you want in your leaders and develop them. Training is not enough; apprenticeship and feedback are critical to grow on-the-job capability. At the same time, you also need to ensure leaders have both the will and the skill to lead change.
- Build sophistication in your change and engagement capability – shift the dial from low or no engagement to knowing when and how to engage. Knowing the difference between informing, consulting and co-designing sounds simple, but is often confused by leadership, leading to confusion for audiences.

Work with your culture for clues on how to energise change and identify resistance

- Understand the nuances of the culture and subcultures (for example, divisions, faculties, schools or level of seniority) you are working within.
- Recognise that complete cultural change will be met with resistance.
- Avoid the temptation to 'cancel the noise'. Instead, look at current cultural traits for guidance on how to enable the change. For example, if the university's current cultural traits favour dialogue and debate, don't rely on change initiatives that bypass opportunities for debate.
- Look at the current culture to identify the elements that can create pride and energise staff to support the change.



Key learnings

In a shifting Australian Higher Education landscape the ability to change and adapt is an ongoing capability universities need. With heavily unionised workforces, academic allegiance to craft above institution and consensus-based decision making the norm, token engagement efforts and ignoring resistance to change are unlikely to be fruitful. Instead, delivering change successfully requires a choreographed approach, bespoke to the institution to work with – not against – the tide.

Institutions need to employ methodological approaches which explicitly consider the multiple objectives of the change. They need to be intentional about engaging influential voices in the design process and using these informal leaders to nuance how the change will be realised at a local level, be it faculty, school, institute, division or team. Formal leadership – Deans, Heads of School, division equivalents, etc. – should be supported to demonstrate rather than purely message the change. Above all, rather than trying to evolve the culture to suit the agenda, institutions should focus on preserving and strengthening cultural traits which have served the institution well and engender pride, leaning on these to drive successful change.

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