

# Transformation Model

Even the most dynamic organisations operate best with a harmonious balance between performance information, the skills and attitudes of workers, and the rules of the operating model. Major change programs often fail because they break this fragile balance. If you want to transform an organisation and make change stick, then changing the rules is not enough. To achieve a new, sustainable, equilibrium, you need to go the long way round.

It is useful to think of publicly funded organisations as having three interrelated dimensions:

- decision making – the alignment of authority, resources, and accountability within complex public authorising environments
- performance & outcomes – the measures of public value, including metrics and systems that organisations use to monitor performance and inform decisions
- capability, capacity & culture – the skills of individuals, the distribution of those individuals and skills throughout the organisation, and the attitudes they bring to their work.

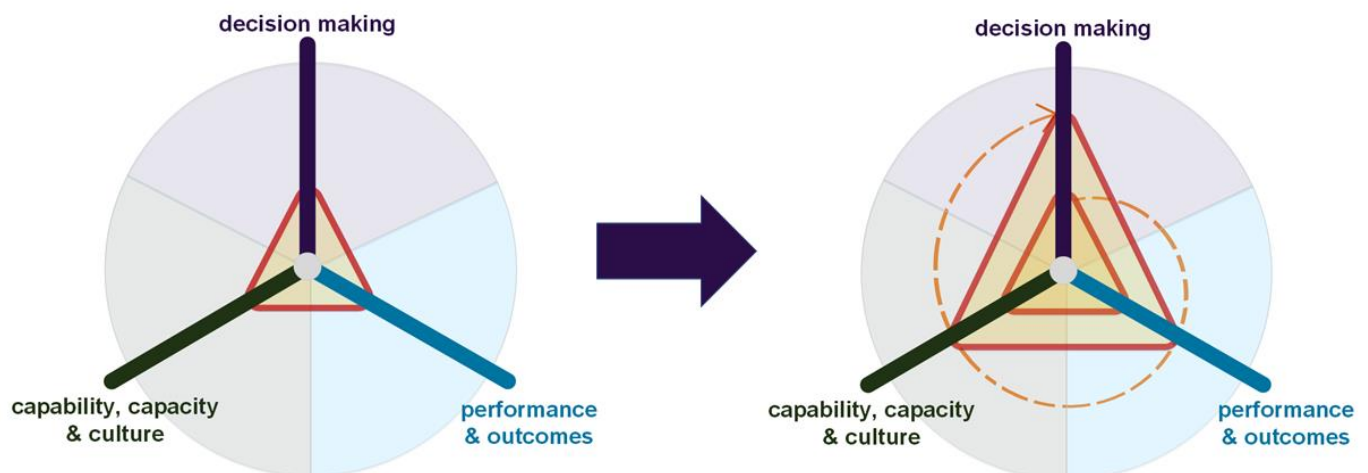
In sustainable operating models, these three dimensions are in a state of approximate equilibrium.

When one dimension is out of balance with the others, the whole operating model will be misaligned.

A capable workforce constrained by highly centralised authority, or inadequate information, will be frustrated by poor outcomes and limited options to improve. These frustrated workers often create inefficient and inconsistent workarounds to combat the imbalance.

Similarly, investments in decision support systems are wasted if workers are unwilling, unable, or not empowered to use tools to make better decisions.

Distributing authority and demanding that workers be accountable for results will only work sustainably if those workers have the skills and information they need to make good decisions.



This framework helps to identify and address imbalances in an operating model, and to plot a transformational path to a new equilibrium state.

Organisations can be thrown off-balance by sudden changes, or gradually lose their balance due to shifting expectations, capabilities, or attitudes. Regaining lost balance is often more about what an organisation does about the other dimensions, rather than on the dimension that triggered an imbalance in the first place.

The figure above shows the conceptual journey of an organisation moving from one balanced state (left) to another (right). Sustainable transformation requires that the implementation pathway cross each axis in turn.

A complete cycle of changes to all three dimensions is required to achieve a new equilibrium. Very significant changes often need multiple cycles. The path for these reforms spirals outwards, with changes on each axis building towards interim states of equilibrium.

Each complete cycle offers a stable point to exit or pause in a longer reform journey. This adds flexibility in timing and scope, allowing for regular assessments of progress and any necessary course corrections.

Nobody transforms an organisation by themselves, or by changing just one thing. Taking the organisation with you to a sustainable new equilibrium means having to go the long way round.