

Examining the relationship between system noise and organisational performance in local government in Australia

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Abstract

For local governments in Australia, organisational development represents a significant investment in the improvement of performance. However, organisational development and change practice still experience significant gaps between theory and practice (Luthans 2011), as well as gaps between knowledge of a phenomenon and taking action to change or improve that phenomenon (Ahmadi and Vogel 2019, Luthans 2011, Pfeffer and Sutton 2000). The latter is described in the literature as the knowing-doing gap (Ahmadi and Vogel 2019, Greener 2018, Hulme 2014, Luthans 2011, Pfeffer and Sutton 2000). While the relationship between the knowing-doing gap and organisational performance is (to an extent) implied, less well-defined are the reasons for the presence of the knowing-doing gap. In that, organisational factors surrounding change and development are complex and diverse and require further investigation to better understand how performance improvement activities are affected (Ahmadi and Vogel 2019, Greener 2018, Luthans 2011) (See Fig. 1). Of particular interest is the possibility that more recently developed constructs such as system noise (Kahneman et al. 2021) and choice architecture (Thaler et al. 2014) may explain the presence of the gap and that forecasting skill (Schoemaker and Tetlock 2016, Tetlock and Gardner 2015) may mitigate the effects of noise on performance in local and state governments.

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Conflicts of interest

The authors have declared that no competing interests exist.

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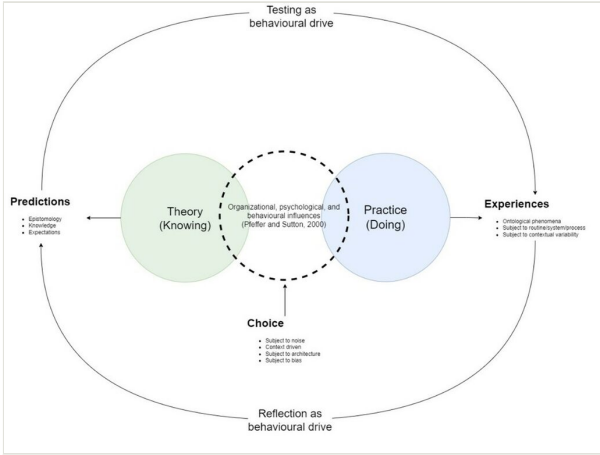


Figure 1.
Theory vs Practice model.