

Progress Pioneers

How government finance leaders can move beyond management to true change leadership

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Change is no stranger to public finance. From shifting revenue structures and economic volatility to evolving expectations for transparency, accountability, and equity—leaders in government finance are navigating change at every turn. Yet despite our familiarity with it, research shows that up to 70 percent of change initiatives still fail to meet their goals. Why? Because while we've mastered change *management*, we've often overlooked change *leadership*—the human side of transformation that determines whether change takes root or falls flat.

Why change still triggers fear, anxiety, and “freak out”

In government organizations, change can unsettle even the most seasoned professionals. People worry about losing control, relevance, or confidence in what they know best. The discomfort stems from uncertainty and loss of control. These reactions are natural. The Kübler-Ross Change Cycle reminds us that individuals move through predictable emotional stages—from disbelief and frustration to experimentation and adoption—as they adjust to new realities.

The key for leaders in public finance is to normalize this experience. Leaders in government finance can't skip these stages, but they can guide their teams through them. By normalizing discomfort, communicating clearly, and demonstrating empathy, finance officers become anchors in times of turbulence. Change leadership isn't about suppressing fear; it's about guiding people through it.

From managing to leading

Traditional change management focuses on processes—timelines, procedures, and project plans. Change leadership, by contrast, focuses on people—their motivation, energy, and belief in the “why” behind the change.

As one exercise from the *Change Leadership Compass* illustrates, successful leaders are not defined by their technical expertise alone. They balance three essential orientations:

THE CHANGE LEADERSHIP COMPASS™



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The Connector—focuses on people and relationships, fostering trust and shared ownership.

The Innovator—envisions what's possible and inspires others with a compelling future.

The Operator—ensures structure, accountability, and the “how” of execution.

Most leaders have a natural inclination toward one of these areas—but sustainable transformation requires strengthening all three.

The Change Leadership Compass in action

Developed to help public-sector leaders assess and adapt their leadership style, the *Change Leadership Compass* offers a practical framework for balancing emotional intelligence with strategic direction.

Connect. Engage people emotionally by clarifying the “why.” Without emotional buy-in, you'll get compliance, not commitment.

Innovate. Articulate the “what” with clarity. Without vision, confusion and misalignment take hold.

Operate. Define the “how.” Without clear expectations, what looks like resistance may actually be fear or frustration.

Leaders who actively shift among these modes—connecting, innovating, and operating—are better equipped to move their teams through uncertainty with confidence and purpose.

Navigating change in a financial context

For finance officers, leading change often means translating complex fiscal realities into meaningful stories that inspire trust. Whether introducing a new enterprise resource planning (ERP) system, implementing policy reforms, or redesigning budget processes, the technical side of change is only half the battle.

The other half is human: aligning values, managing fear, and sustaining engagement. That's where the *Change Leadership Compass* helps leaders see beyond spreadsheets and metrics to the emotional landscape beneath the numbers. For example:

- During system upgrades, **connectors** might prioritize communication and reassurance to reduce resistance.
- **Innovators** might focus on articulating how the upgrade advances transparency or service equity.
- **Operators** ensure that workflows and training are aligned to deliver consistent results.

Common pitfalls—and how to avoid them

Even the most well-intentioned leaders can stumble when they overuse their natural strengths:

- **Connectors** may become so focused on relationships that they lose sight of outcomes.
- **Innovators** may move too fast for their teams to follow.
- **Operators** may focus so narrowly on tasks that they miss the emotional currents shaping team morale.

The antidote is self-awareness—recognizing when to lean into another part of the Compass to rebalance your approach. Change leadership fails most often not because of poor planning, but because of imbalanced leadership.

The three steps in Exhibit 1 will help you align the Compass with organizational action. When leaders flex across these dimensions, they reduce resistance and sustain engagement—two of the toughest challenges in government transformation.

Leading change from the inside out

Change leadership begins with self-awareness. Leaders who understand their instinctive responses to uncertainty can better model the behaviors they want from others. Ask yourself:

- Have I engaged people personally, not just procedurally?
- Have I clearly connected the change to our larger mission?
- Have I equipped my team with the confidence and competence to succeed?

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Finance leaders who answer yes to these questions move beyond compliance-driven change toward cultures of trust, innovation, and resilience.

The future of public finance will demand more than balanced budgets—it will demand balanced leaders. Leaders who can inspire confidence amid uncertainty. Leaders who can manage complexity while nurturing connection. Leaders who can bring their teams from fear to focus, from resistance to resilience, and from change management to change leadership.

Because at its core, effective change leadership is not about controlling the outcome—it’s about building the conditions where people choose to move forward together.

The payoff: from fear to focus

When organizations emphasize technical change without emotional connection, the best they achieve is passive compliance—people showing up, but not showing up with heart.

When they cultivate connection, vision, and empowerment, they achieve active commitment—people contributing creatively to shared goals.

As public finance leaders face rising complexity, fiscal scrutiny, and rapid innovation, the most valuable skill they can develop isn’t new accounting software or reporting technique. It’s the ability to lead humans through change.

Because in the end, sustainable transformation doesn’t happen *to* people—it happens *through* them. ■

Maria Church is chief executive officer of Government Leadership Solutions and developer of the Change Leadership Compass.

Action steps for government finance leaders

1. Assess Your Compass. Identify whether you naturally lead as a Connector, Innovator, or Operator.

2. Normalize the Curve. Discuss the emotional stages of change with your team to demystify resistance.

3. Align the “Why.” Tie every change initiative to mission and community outcomes, not just compliance.

4. Build Shared Ownership. Involve staff early; co-create solutions rather than dictate them.

5. Coach and Celebrate. Recognize progress, not perfection. Small wins sustain momentum.

EXHIBIT 1 | Three Steps to Aligning the Compass With Organizational Action

To Lead Change	Compass Direction	To Prevent Major Mistakes
Shared Ownership	Connect	Prevents misalignment and lack of trust
Advance the Plan	Innovate	Prevents confusion and disorder
Ensure Continuity	Operate	Prevents inefficiency and burnout