# Organisational v Project Change Management

**By Malcolm Pascoe**

Successful projects consider the people side of the solution being implemented, and bring together project management and change management to achieve the business objectives of the change.

If the people impacted by a project do not support and engage in the change, then the planned benefits of the project may not be delivered, or the objective of the project may not be achieved.

## Situation

Projects typically identify that they need support in change management based on either the type of project, the scale of change being delivered, or the level of risk of the change.

A change management practitioner can be assigned to a project to help manage the successful implementation of the project by addressing the people-based aspects of the change.

## Complication

There is a challenge for change management practitioners engaged on a project to share their focus between *organisational change management* and *project change management* activities.

*Organisational change management* activities to tend to focus on **creating the conditions for change to occur** by addressing the organisational culture and looking at levels of employee engagement, the use of language, symbols, and signals in the organisation, and building change management capabilities in leadership groups.

*Project change management* activities tend to focus on **implementing a specific change** by helping an organisation prepare for the change, manage the implementation of the change, and reinforcing the change.

Scenario:

A well-established organisation has noticed a rapid decline in the market for their core product offering, and has an opportunity to diversify their business into an emerging market for a different type of service.

This means moving from a product-based company that relies on good supply chain processes, to a service-based company that would rely more on customer-centricity, with new infrastructure and systems needed to meet the requirements of new clients

In this scenario:

*Organisational change management* may focus on maintaining employee engagement throughout the change, assisting leaders to understand and manage the reactions of staff during the change.

*Project change management* may focus on the implementation of the new systems and processes, and provide a structured change management plan to ensure staff accept and adopt the new way of working.

# Question

How can change practitioners provide a structured approach, and set of activities for project change management to:

- *Identify the need* for change management on projects
- *Define the scope* of project change management activities
- *Identify the deliverables* that project change management will produce
- *Provide ROI criteria* for project change management

# Answer

You need to define what specific outcomes are to be achieved from project change management on your project to determine whether it is needed, and what it will deliver.

**This 10-step process can be used to implement project change management on a project:**

1. *Assess the need* for project change management based on project type
2. *Determine initial scope* for project change management activities
3. *Agree on the approach* to project change management
4. *Define the characteristics of the change* (why, what, how, who, when, where)
5. *Analyse the impact of change required* to achieve the vision
6. *Identify and map stakeholders* to develop stakeholder engagement and communication plans
7. *Define the quality measures* of the change management/business readiness activities
8. *Develop a detailed plan* of change management activities and deliverables
9. *Assess stakeholder readiness* – determine where your stakeholders are in the change journey
10. *Reinforce the change* after implementation

# Step 1 - Assess the Need

Make a basic assessment of your project to determine whether you need project change management based on:

- *Type of project* (Delivering a change to assets, systems/technology, processes, or people)
- *Risk of change* not being delivered successfully
- *Scale of change* being delivered
- *Scope of change* management activities to be undertaken

This step can be a precursor to developing a brief for your project by identifying what level of change management resource and activity is required for the project to be successful.

This can also provide guidance on whether change management activity could be incorporated into normal project or business activity, or whether the project will require additional support from an experienced change management resource.

## Step 2 - Determine initial scope

The impact on people from re-organisation and restructure activity, changes to systems/technology or processes, policies, and practices need to be managed.

The initial scope of activity will be guided by the scale of change being delivered by the project:

- What is changing – systems, processes, jobs, environment, etc.?
- How much of the organisation will be affected by the change?
- Will the change be experienced differently by different people?
- Will the change be implemented quickly or over a longer period?
- Is it a small, incremental change that would be noticed but easily accepted?
- Is it a large, disruptive change that will require acceptance and adoption to be successful?

Based on your assessment of the scale of change you can develop an initial scope for change management activities and deliverables.

*Table:  Sample project change management activities and deliverables*

| Small, Incremental Change | Large, Disruptive Change |
|---|---|
| - Awareness communications<br>- Opportunities for stakeholder engagement – presentation, discussion forum, survey, etc. | - Change impact analysis<br>- Stakeholder mapping and analysis<br>- Communications and engagement strategy<br>- Formal consultation processes<br>- Capability identification, assessment, and development<br>- Training needs analysis and training delivery plan<br>- Business readiness assessments<br>- Resistance management plan<br>- Change reinforcement plan |

## Step 3 - Agree on the approach

The approach to project change management can be aligned within the overall project delivery methodology by structuring project change management activities into stages:

- *Planning for a New Way of Working* – plan and manage activities that will build understanding of the scale and scope of the new way of working that will be delivered by the project to stakeholders within the organisation and the project team
- *Getting the Business Ready for a New Way of Working* – plan and manage activities that will ensure stakeholders are informed, engaged, ready, and able to operate in the new way
- *Embedding the New Way of Working* – plan and manage activities to integrate the new way of working into normal business routines to ensure benefits are delivered

## Step 4 - Define the characteristics

Providing answers to the most basic questions can help to develop understanding around the significance of the change, and the levels of change management activity that will be needed for the project to be successful.

Start by developing short, plain-English answers to the key 20 questions that will be asked by stakeholders.

*Table: 20 Questions to define the change*

**Perspective**

1. What is our vision for the future?
2. What is driving this vision?
3. What will happen if we don't achieve our vision?
4. How does this vision support our business strategy?

**Project**

5. What are we doing about it?
6. How are we doing it?
7. Where are we doing it?

**Purpose**

8. Why are we doing it?
9. Who will benefit?
10. What will the outcome be?

**Process**

11. What will the project involve?
12. What will be different?
13. What will be the same?

**People**

14. Who is involved in the project?
15. Who needs to get ready?
16. How do I get ready?

**Plan**

17. What is our action plan?
18. What have we completed already?
19. What are we doing now? (<1 month)
20. What are we doing next? (> 1 month)

## Step 5 – Analyse the impact of the change required

Identify the individual changes that will be made to processes, systems, and people to move from the current-state to the future-state. This will enable you to focus attention on who will be impacted by each change, and how they will be impacted. This will also enable you to design appropriate engagement activities and support.
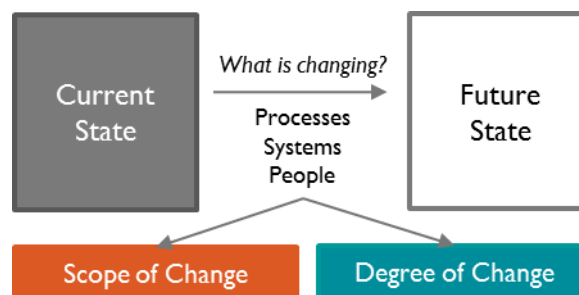


- What is the current situation?
- What is changing?
- What will it be like in the future?
- Who is impacted?
- How/When will they be impacted?
- What will we do to manage that impact?

# Step 6 - Identify and map stakeholders

Identify stakeholders impacted by each change, and determine their requirements for engagement. Different engagement strategies can be used based on their levels of influence and interest, and their perception of the change.

| | |
|---|---|
| **Identify Stakeholders impacted by each change** | *Project Stakeholders* – those with specific responsibilities related to project delivery<br><br>*Internal Stakeholders* – Internal stakeholders that require some level of interaction to inform, consult, involve or collaborate<br><br>*External Stakeholders*– External stakeholders that require some level of interaction to inform, consult, involve or collaborate |
| **Categorise Stakeholders according to influence** |  *Critical* – Stakeholders with the power to **STOP** the project<br><br>*Essential* – Stakeholders that have the power to **DELAY** the project<br><br>*Interested* – Stakeholders who have an **INTEREST** the project |
| **Identify nature of stakeholder interest** | Is the stakeholder supportive or opposed to the change being delivered, or are they neutral?<br><br>What does they expect to gain, or fear losing?<br><br> |
| **Determine the appropriate level of engagement for each Stakeholder according to their influence, interest, and support** |  Who needs to be *informed*?<br><br>Who needs to be *consulted*?<br><br>Who needs to be *involved*?<br><br>Who needs to *collaborate*? |

| Description | Responsible | Accountable | Consulted | Informed |
|---|---|---|---|---|
| *The activity* | *Who will be doing/delivering the activity* | *Who can make decisions about what activity is to be delivered and how* | *Who will contribute to decisions about the activity* | *Who needs to receive information about the activity* |

**Determine RACI assignments for stakeholder engagement activities**

## Step 7 - Define the quality measures

Quality measures can be applied to project change management activities in the same way they would be applied to any other element of the project.

These quality measures can provide guidance when developing the change management plan to ensure these criteria are met through project change management.

Measures can also provide an assessment of the effectiveness of what project change management has delivered to the project.

*Table – Sample Quality Criteria*

| Quality Criteria | Measures |
|---|---|
| **Ready and Able** | The organisation has the capacity and capability through people, systems, and processes to operate in the new way of working delivered by the project |
| **Accepted and Adopted** | The new way of working delivered by the project is accepted as business as usual and incorporated into standard operating procedures.<br><br>User testing to be undertaken prior to release to ensure usability |
| **Capable and Competent** | People have skill and ability to operate in the new way of working, and skill development is available for new entrants<br><br>Training conducted with identified staff<br><br>Documentation, including guidance documents, how to guides and FAQ, is available |
| **Compliant and Utilised** | People operate in alignment with the new way of working, and the implemented solution is utilised |
| **Repeatable and Sustainable** | The new way of working is incorporated into standard operating procedures, and can be sustained across workforce changes |
| **Recognised and Rewarded** | Achievement of benefits from the new way of working are celebrated.<br><br>People are recognised and rewarded for operating in the new way of working. |

## Step 8 - Develop a detailed plan

Develop a detailed action plan showing key information relating to effort required, dates, milestones, dependencies, and resources.

Tasks can be broken into the stages and incorporated into the overall project plan to highlight dependencies and milestones.

- **Planning Change** – activities that build understanding within the organisation of the scale and scope of the changes to be delivered by the project
- **Managing Change** – activities that ensure individuals understand the need for change, how the change will happen, and are ready and able to operate in the new way delivered by the change
- **Reinforcing Change** –activities that embed the new way into normal business routines

## Step 9 - Assess stakeholder readiness

Stakeholder readiness can impact the effectiveness of a change being delivered successfully. If stakeholders are not ready and able to operate in the new way delivered by the change, then they may resist accepting and adopting the change.

Assessments can be used throughout the project to determine where stakeholders are in their change journey, and can also be used to assess effectiveness against the different quality measures established for project change management

There are broad methods for assessing stakeholder readiness that include everything from informal surveys, polls, and discussion forums, and skill checks, through to formal competency-based assessment and compliance audits. Choose the method that matches the level of risk that the change represents.

## Step 10 - Reinforce the change after implementation

The role of project change management in reinforcing the change is to manage any stakeholder resistance to acceptance and adoption.

**Activities can include:**

- Identifying success stories and providing recognition and rewards
- Communicating and celebrating the benefits that have been achieve through the change
- Identifying and addressing resistance through further engagement
- Assessing compliance with the new way of working and implementing any corrective action necessary

# Summary

Project change management looks specifically at addressing the impact on people from change delivered by a project. Looking at the characteristics of the change can help determine the scale and scope of project change management activity.

Focusing on the impact of specific changes being delivered by a project will identify the stakeholders impacted, and the engagement activities that will be required for the change to be successfully implemented.

The approach to planning, managing, and reinforcing the change can be aligned with the overall project plan to provide visibility of key dependencies and milestones. The effectiveness of project change management can be reviewed by developing assessment criteria that highlight the value it has provided to the project.

Successful implementation of project change management will result in stakeholders that are informed, engaged, ready, and modelling the new way delivered by the change.

## Further Reading

*The Effective Change Manager's Handbook,* Smith R, King D, Sidhu R, Skelsey D, Kogan Page ISBN 987-0-7494-7307-5

*ADKAR: A Model for Change in Business, Government and Our Community,* Hiatt J

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