

# CHANGE MANAGEMENT

- term change may be defined as the replacement of existing one with a new one.
- Change results in new opportunities, challenges and also some hardships.
- Change is inevitable in the life of an individual or organization.
- It may affect people, structure, technology, and other elements of an organization.
- It may be reactive or proactive in nature.
- When change takes place due to external forces, it is called reactive change.
- However, proactive change is initiated by the management on its own to enhance the organizational effectiveness.

# Organizational Change Management

- It is not uncommon for an organization to choose to conduct a project that will have impact on the organization itself. Examples:
  - New Time and Attendance System
  - New email system
  - Transition from paper to electronic Requisitions
  - Change from primarily print to primarily electronic media
  - Introduction of a new technology (e.g. EDMS)
  - Distribution of workers in new office space



# Organizational Change Management

- Upper Management undertakes these projects because they believe that there is sufficient gain to the organization to warrant the expense.
- And Upper Management usually moves forward on the basis that since it is in everyone's best interest, those individuals affected will of course endorse the project and work to make it a success.
- And all too often Upper Management receives a rude shock.

# Organizational Change Management

- It can be very difficult to introduce change to an organization. Failure to recognize and deal with this fact has been the cause of many project failures.
- Folger & Skarlicki (1999) - "organizational change can generate skepticism and resistance in employees, making it sometimes difficult or impossible to implement organizational improvements" (p. 25).



# Organizational Change Management

- As the Management Team, you must be aware of the extent to which your projects may introduce organizational change, and then you must deal with this issue.
- Coetsee (1999) states "management's ability to achieve maximum benefits from change depends in part on how effectively they create and maintain a climate that minimizes resistant behavior and encourages acceptance and support" (p. 205).

# Organizational Change Management

- The PMBOK makes scant reference to organizational change.
- This may be deliberate, since the PMBOK is designed to address those aspects of Project Management that are common to most or all projects, and there are many types of projects for which Organizational Change is not a significant factor (e.g. Construction of a new building).



# Organizational Change Management

- Nonetheless, Organizational Change Management can be of serious concern to any organization whose projects will require change either in its customers or within the organization itself.
- So we will focus on Organizational Change here, in an effort to give you some insight on how to more effectively manage the People side of technology projects.

# STRATEGIES OF CHANGE

- An appropriate strategy for implementing the change is to be followed to get the best results from proposed changes. The strategies of changes can be classified into two categories:
- i) **Evolutionary** – which is gradual, incremental and specifically focused
- ii) **Revolutionary** – which is sudden, drastic and organization wide



# TYPES OF CHANGE

Planned organizational change is normally targeted at improving effectiveness at one or more of four different levels :

- human resources,
- functional resources,
- technological capabilities, and
- organizational capabilities

# Human Resources

- New investment in training and development activities so that employees acquire new skills and abilities;
- socializing employees into the organizational culture so that they learn the new routines on which organizational performance depends;
- changing organizational norms and values to motivate a multi-cultural and diverse work force.



# Technological Capabilities

- Technological capabilities give an organization an enormous capacity to change itself in order to exploit market opportunities.
- The ability to develop a constant stream of new products or to modify existing products so that they continue to attract customers is one of organizations core competencies

# Functional Resources

- Each organizational function needs to develop procedures that allow it to manage the particular environment it faces.
- As the environment changes, organizations often transfer resources to the functions where the most value can be created.
- Critical functions grow in importance, while those whose usefulness is declining shrink.



# Organizational Capabilities

- Changes in structure and culture take place at all levels of the organization and include changing the routines an individual uses to greet customers, changing work group relationships, improving integration between divisions, and changing corporate culture by changing the top-management team.

# Organizational Change Management

- Factors in Organizational Change
  - Efforts by employees to block the intended change is referred to as Resistance to Change.
  - Resistance is a natural and inevitable reaction in an organization. You can expect it
  - Resistance is sometimes hidden, so it may be necessary to take active steps to find it
  - There are many reasons for resistance; it is important to understand it
  - We manage resistance by working with people, and helping them deal with their concerns
  - There are many ways to build acceptance. It is important to be flexible. But persist!



# Organizational Change Management

- Factors in Organizational Change
  - The key to successful management of organizational change lies in the people.
    - They are the agents for successful transformation of the organization.
    - They determine the Return on Investment from this process
  - So let's have a look at where Resistance to Change comes from and how to best manage it

# Organizational Resistance

- Structural Inertia
- Limited Focus of Change
- Group Inertia
- Threat to Expertise
- Threat to Established Power Relations
- Resource Allocation



# Individual Resistance

- Habit
- Security
- Economic Factors
- Fear of Unknown
- Lack of Awareness
- Social Factors

# OVERCOMING RESISTANCE TO CHANGE

- Education and Communication
- Participation and Involvement
- Facilitation and Support
- Negotiation and Incentives
- Manipulation and Co-optation
- Coercion

# Organizational Change Management

- How can I best accomplish Organization-wide Change? The high-level view:
  - Get senior management agreement (i.e. conflicting goals can kill the project!)
  - Identify a champion who can articulate the reasons for and advantages of the change
  - Translate the vision for change into a realistic plan and then carry out the plan
  - Involve people from every area of the organization
  - Communicate. Communicate. Educate. Educate.
  - Get organizational buy-in to the change
  - Modify organizational structures so that they will sustain the change



# Managing Change

- From Carter McNamara, PhD, [www.mapnp.org](http://www.mapnp.org)
  - (Management Assistance Program for Non-Profits)
- ◆ **Widely communicate the potential need for change.** Communicate what you're doing about it. Communicate what was done and how it worked out. Communicate that Senior Management backs this strategy unanimously.
- ◆ **Get as much feedback as practical from employees,** including what they think the problems are and what should be done to resolve them. If possible, work with a team of employees to manage the change.
- ◆ **Don't get wrapped up in doing change for the sake of change.** Know why you're making the change. What goal(s) do you hope to accomplish? Communicate the goals!

# Managing Change

- From Carter McNamara, PhD, [www.mapnp.org](http://www.mapnp.org)
  - (Management Assistance Program for Non-Profits)
- ◆ **Plan the change.** How do you plan to reach the goals, what will you need to reach the goals, how long might it take and how will you know when you've reached your goals or not? Focus on the coordination of the departments/programs in your organization, not on each part by itself. Have someone in charge of the plan.
- ◆ **Delegate decisions to employees as much as possible.** This includes granting them the authority and responsibility to get the job done. As much as possible, let them decide how to do the project.
- ◆ **The process won't be an "aha!"** It will take longer than you think.
- ◆ **Keep perspective.** Keep focused on meeting the needs of your customer or clients.



# Managing Change

- From Carter McNamara, PhD, [www.mapnp.org](http://www.mapnp.org)
  - (Management Assistance Program for Non-Profits)
- ◆ **Take care of yourself.** Organization-wide change can be highly stressful.
- ◆ **Don't seek to control change,** but rather expect it, understand it and manage it.
- ◆ **Include closure in the plan.** Acknowledge and celebrate your accomplishments.
- ◆ **Read some resources about organizational change,** including new forms and structures.
- ◆ **Consider using a consultant.** Ensure the consultant is highly experienced in organization-wide change.



# Organizational Change Management

- Summary
  - Organizational Change Management is “all of the actions required for an organization to understand, prepare for, implement and take full advantage of significant change”.
  - The goals of Change Management are:
    - The successful design, implementation, measurement and maintenance of an organization’s change initiative
    - Enhancement of their on-going capacity for managing change

# Organizational Change Management

- Summary
  - Enterprise Transformation is driven by an underlying strategy that organizes and energizes People to understand, embrace and make full use of new Process and Technology
  - Degree of success of this endeavor is measured by the level and nature of the Business Impact achieved