

L19 APSC221 - Change Management

What is Change Management?

A project is a dynamic process, and project change management is the process to manage/accommodate change during the project lifecycle

Organizational change management is carried out throughout an organization to transition from a current state to a desired future state, **we focus on this type for this course**

The goals are:

- understanding the changes and associated implementation risks
- implementing the desired change
- ensuring transition from current to future state
- minimizing unplanned operational disruptions
- achieving the desired performance improvements
- sustaining change over the long term

Change is made by people, not systems, but it is **people's adoption of these that is the change**

Change at the organizational level also achieves results

But organizations are complex entities and change in one area may have farther reaching impacts than anticipated

Types of Change

Transformational

Organizational, major shifts in corporate vision, such as a new CEO introduces a strategic shift to boost performance

Bounded

Departmental, limited to one group, like a manager changing structures to realize new efficiencies

Deliverable-Led

Projects, focus is on the deliverable and less on the change, like new products or processes

Risks of Change - Four Change Outcomes

The Disaster

An organization undertakes an irreversible change, is not compatible with the wider business operations, and results in devastating reduction in performance, possibly leads to bankruptcy.

The Lost Investment

Performance declines over time once change is implemented, maybe because people revert to the "old ways" and the change is not sustained

The Partial Success

The change sees sustained improvement but full potential is not realized

The Ideal

This optimal result is rare but change is implemented and sustained with minimal short-term performance impact

Costs & Benefits of Change

Change management is necessary, but risks associated like short-term disruption and unexpected outcomes need to be managed.

Costs

- direct cost of change team
- consultants and advisers
- time away from the rest of the organization
- investments to facilitate change
- longer-term costs

Benefits

- significant rewards can be realized
- need to manage and measure potential rewards

Why Change?

Change is necessary due to economic shifts, competition, new products opportunities, shareholder demands, M&A, etc.

The drive for change stems from external pressures and internal management foresight
Internal drivers include new leadership, re-organization, changing tech, changing culture

Change is also important because organizations constantly have to assess their position within their environment (SWOT)

Effective Change Management and Failure

Change management requires vision, persistence, and empathy to fellow workers since humans have a resistance to change

Failure can come from:

- a lack of initiative
- unforeseen operational problems
- the cost of the change is higher than expected
- changes are never embedded (IT systems)
- benefits never justify the true costs