# INFO5990

Professional Practice in IT

School of Information Technologies
University of Sydney

Lecture 2: Sourcing, managing and nurturing human resources in IT & Change Management

Agenda

- Terminology

- Sourcing & Managing IT Talent

- Key Challenges

- Nurturing and Retaining IT Talent

- Your Career Development

- Change management & HR relationship

Terminology

IT Human Resources

"HR" Departments

IT Talent

"Talent and Capability" Departments

HUMAN RESOURCE
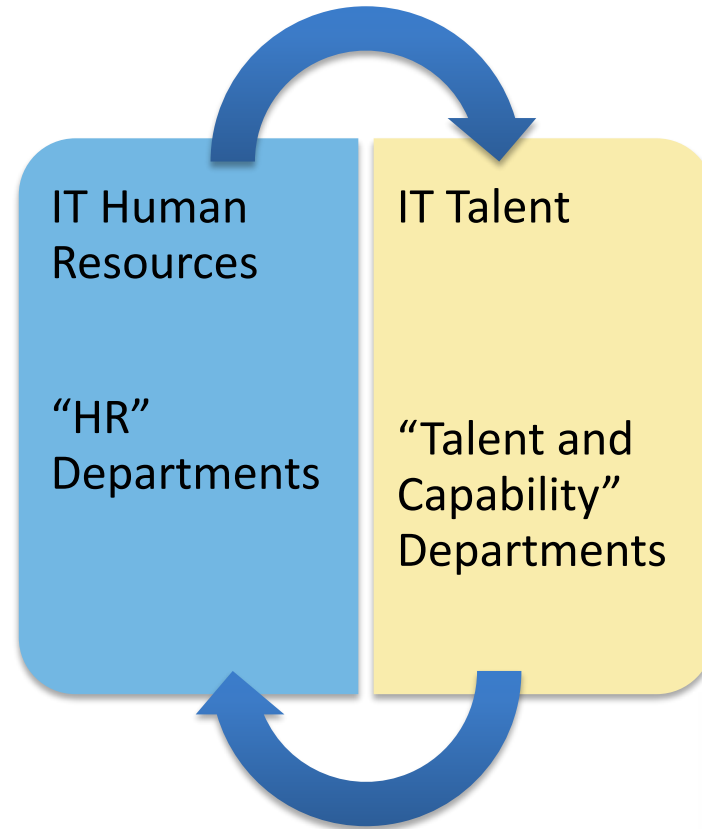
Sourcing IT Talent

How do organisations recruit IT Talent?

Sourcing IT Talent

Options include:

- Hire a recruitment company to source IT candidates

- Direct recruitment

- Combination of the above

- Permanent job offers

- Contract staff

- Outsource

- Any others?

http://www.youtube.com/watch?v=tz8YfyXawP4&feature=player_detailpage
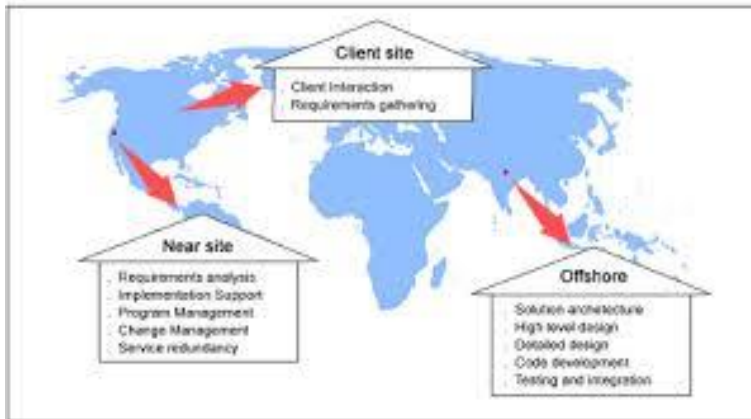
Key Challenges

What are the key challenges of sourcing talent?

Case Study

Lisa Walker / Decler Hague

Global Delivery Model

Key Challenges

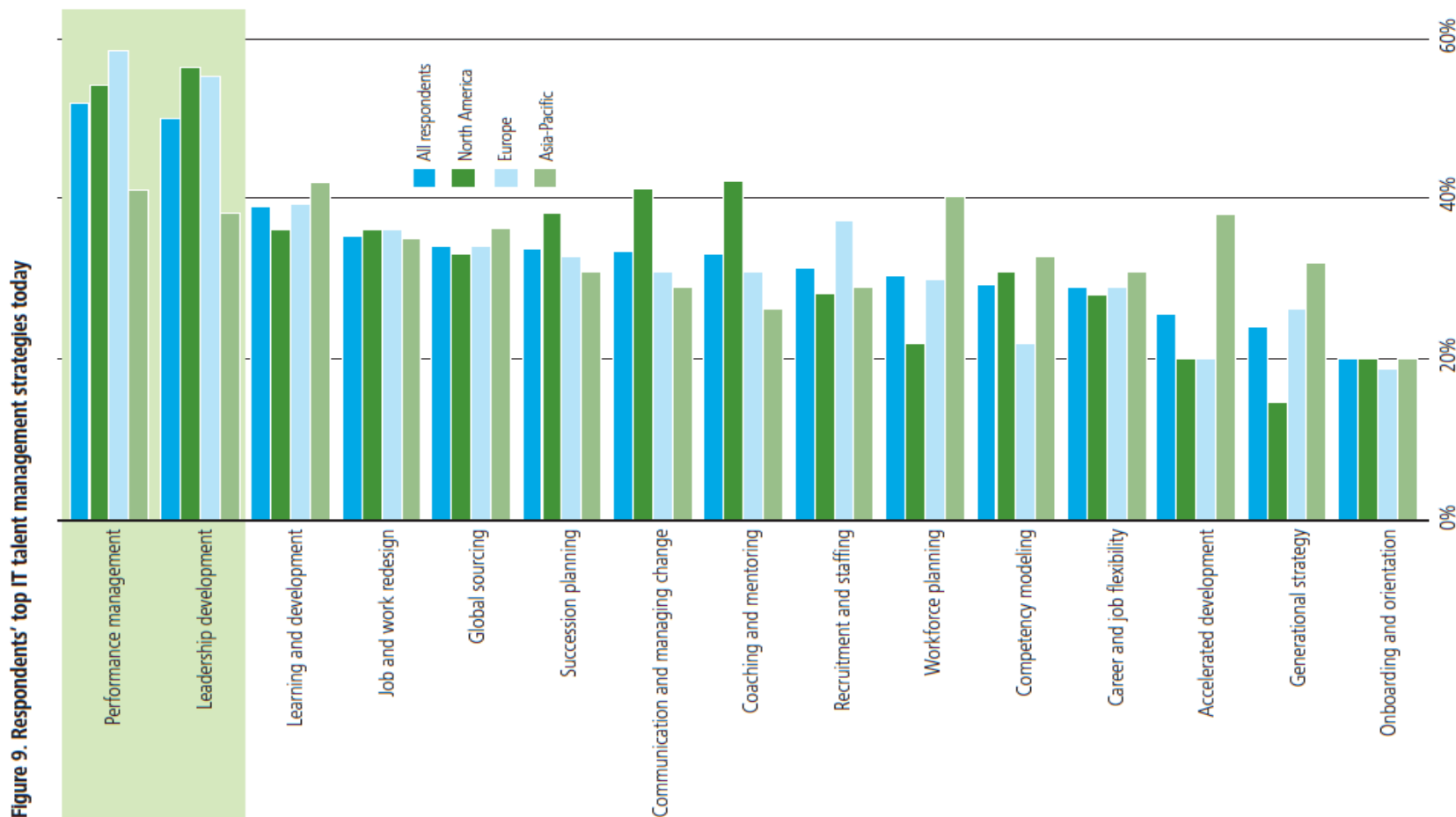| Challenges when recruiting	Steps to overcome them
Pace of change in the industry means skills can become out of date, Recruiter is not technically aware	
Techos need to know how business works	
Lower cost global options	
Skill shortage (eg with emerging technologies)	

Managing IT Talent

- Top strategies for managing IT Talent are:

Performance Management

Leadership Development

Survey Results

Figure 9. Respondents' top IT talent management strategies today

Source http://www.cio.com/documents/whitepapers/mindthetalentgap.pdf

Nurturing and Retaining IT Talent

The Deloitte and CIO survey showed that the top 3 attraction and retention strategies are:

- Differentiate compensation based on performance

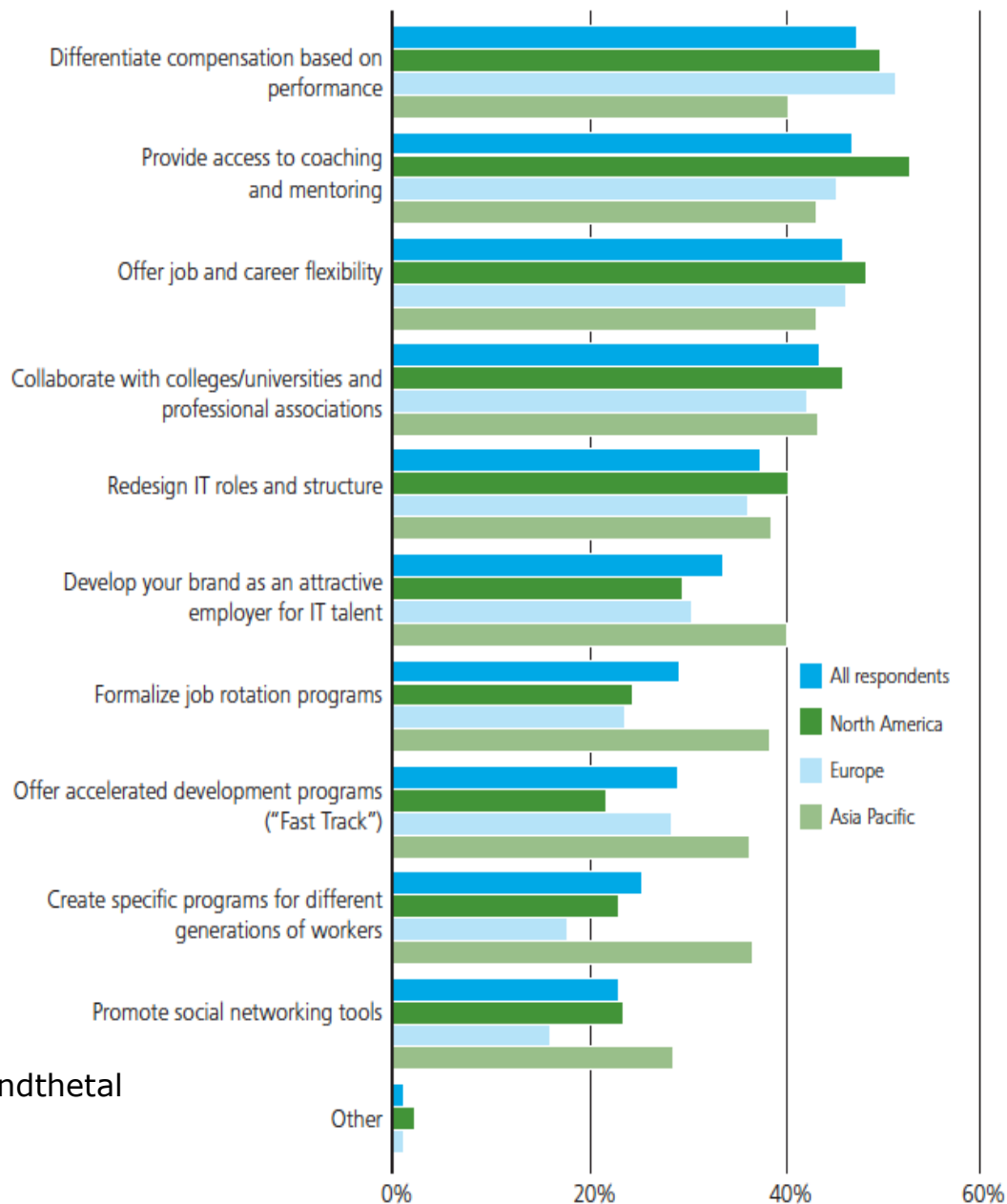- Provide access to coaching and mentoring

- Offer job and career flexibility

Source http://www.cio.com/documents/whitepapers/mindthetalentgap.pdf

Figure 11. Attraction and retention strategies in use by respondents

What are your top 3?

Managing Talent in a recovery

Deloitte outlined the following steps to managing IT Talent in a Recovery:

- Communicate and show you care
- Managers to be accountable
- Clear Career Path
- Don't burn
- Try to avoid pay cuts
- Smarter ways to develop people
- Tell the truth

Your Career Development

How many hours have you spent planning your career over the last 12 months?

Do you know what you want to do in 2 years? 5 years?

Why Change Management?

2007 Copyright Prosci and Bill Cigliano

It's the "people side" of projects important to IT Talent retention and attrition ?

Reasons for applying OCM?

The number one obstacle to success for major change projects is:

employee resistance and the ineffective management of the people side of change

Impacts of NOT doing change management

What is Change Management?

On a project level:

"Change management is a structured process and set of tools for leading the people side of change to achieve a desired outcome."

Prosci 2002

Change Management for IT vs. Change Management for <u>People</u>

This is Organisational Change Management (or <u>OCM</u>)

On an organisational level:

- A leadership competency for enabling change within an organisation.
- A strategic capability designed to increase change capacity and responsiveness.

The difference between project management and change management

Focus:
Technical side of moving from current state to future state

Project Management →

Current | Transition | Future

Change Management →

Focus:
People side of moving from current state to future state

Solution is designed, developed and delivered effectively
(Technical side)

+

Solution is embraced, adopted and utilised effectively
(People side)

= SUCCESS

Complimentary disciplines with a common objective

Change is a process…

Where you are today

Where you want to be

2007 Copyright Prosci and Bill Cigliano

Employees are comfortable with and prefer the current state

Current state

Transition state

Future state

The future state is unknown or not well understood

The transition state creates stress and anxiety

States of change

Utilising an organisational perspective…

Current   **Transition**   **Future**

Ad hoc processes ⟶ Documented and managed processes

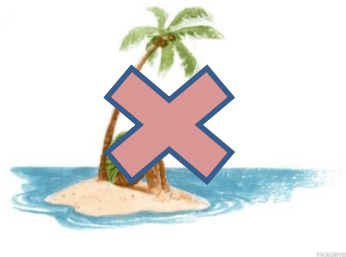Old operating model ⟶ New operating model

Generalists in the call centre ⟶ Specialists in the call centre

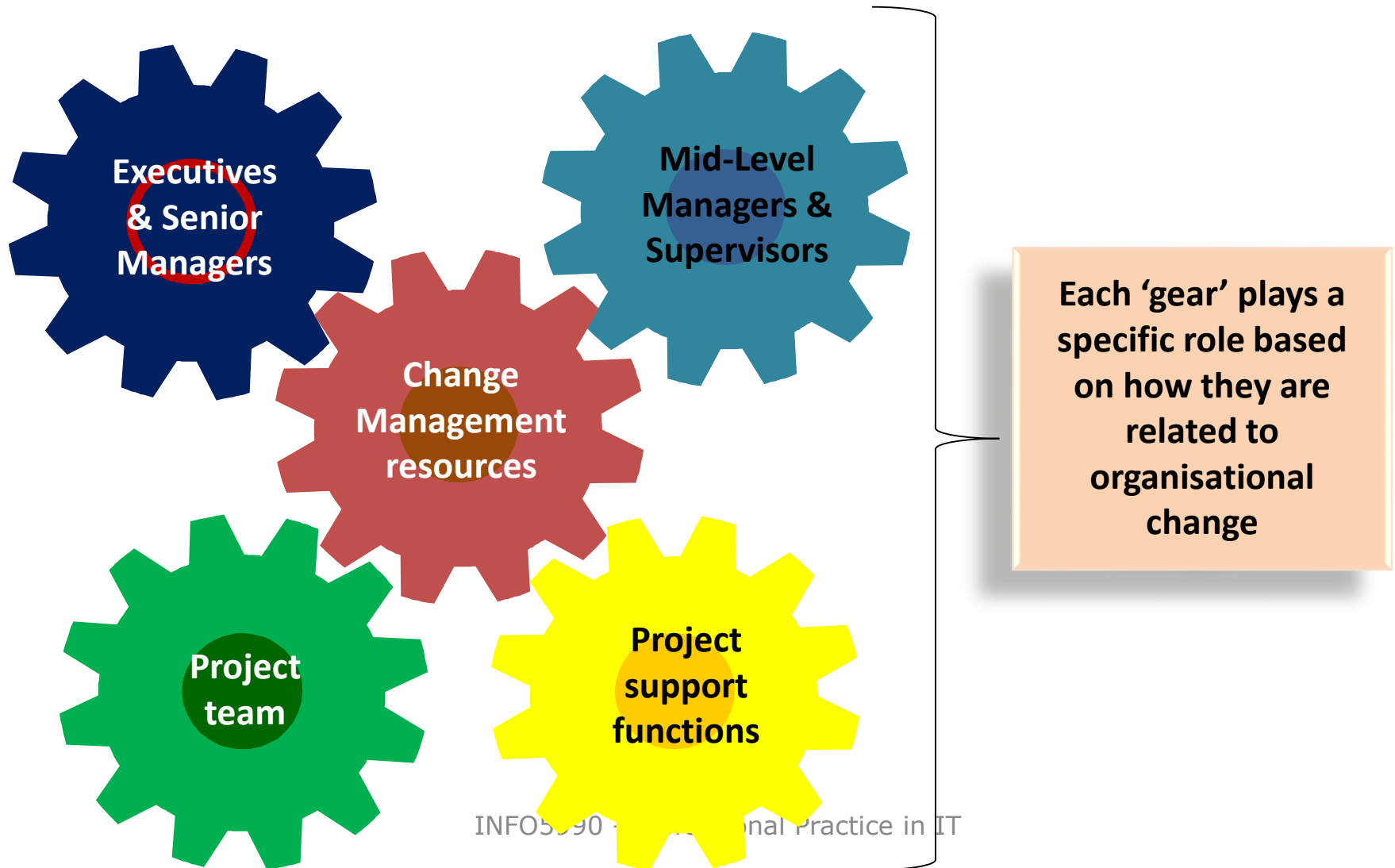No web interface for suppliers ⟶ Supplier website integrated into supply chain

Two different companies ⟶ Merged organisation

Why you should care?

- As IT Professionals, your work has implications and impacts beyond your immediate team

- By understanding your customers better and the impacts they face, you will deliver better quality solutions. More skills = more value = more marketability

- Evolution of IT from an 'order taker' to a strategic partner of the business
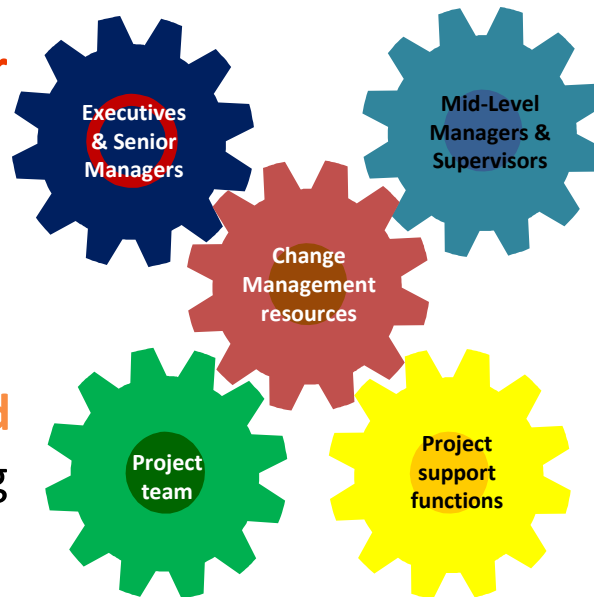
Who 'does' change management?

Executives & Senior Managers

Mid-Level Managers & Supervisors

Change Management resources

Project team

Project support functions

Each 'gear' plays a specific role based on how they are related to organisational change
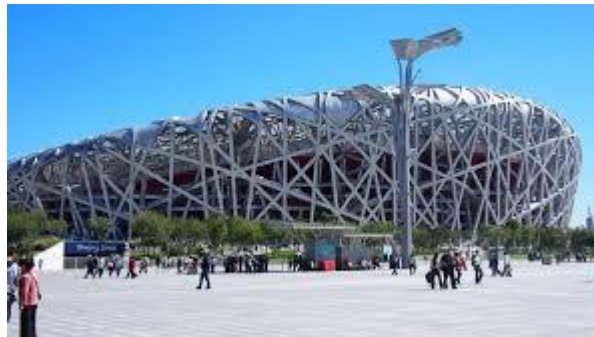
Key roles in Change Management

Employee-facing:

– **Executives and senior leaders** – fulfilling the role of sponsors of change

– **Middle managers and supervisors** – fulfilling the role of coach for their direct reports
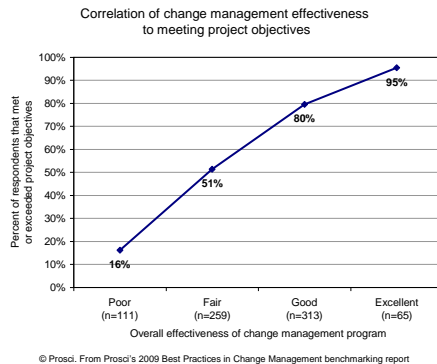
Enabling:

- **Change management resource or team** – applying a structured approach and enabling others

- **Project team** – integrating the "people side" of change

- **Support functions** – providing expertise

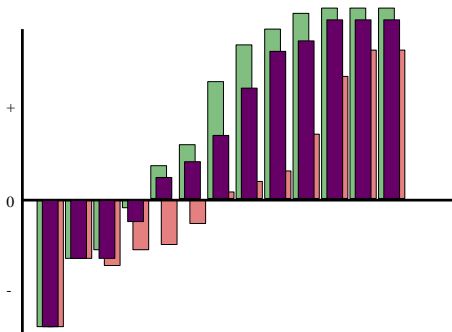# Any examples of Change Management in IT

"Why" change management?

Three perspectives to think about…

Correlation of change management effectiveness to meeting project objectives

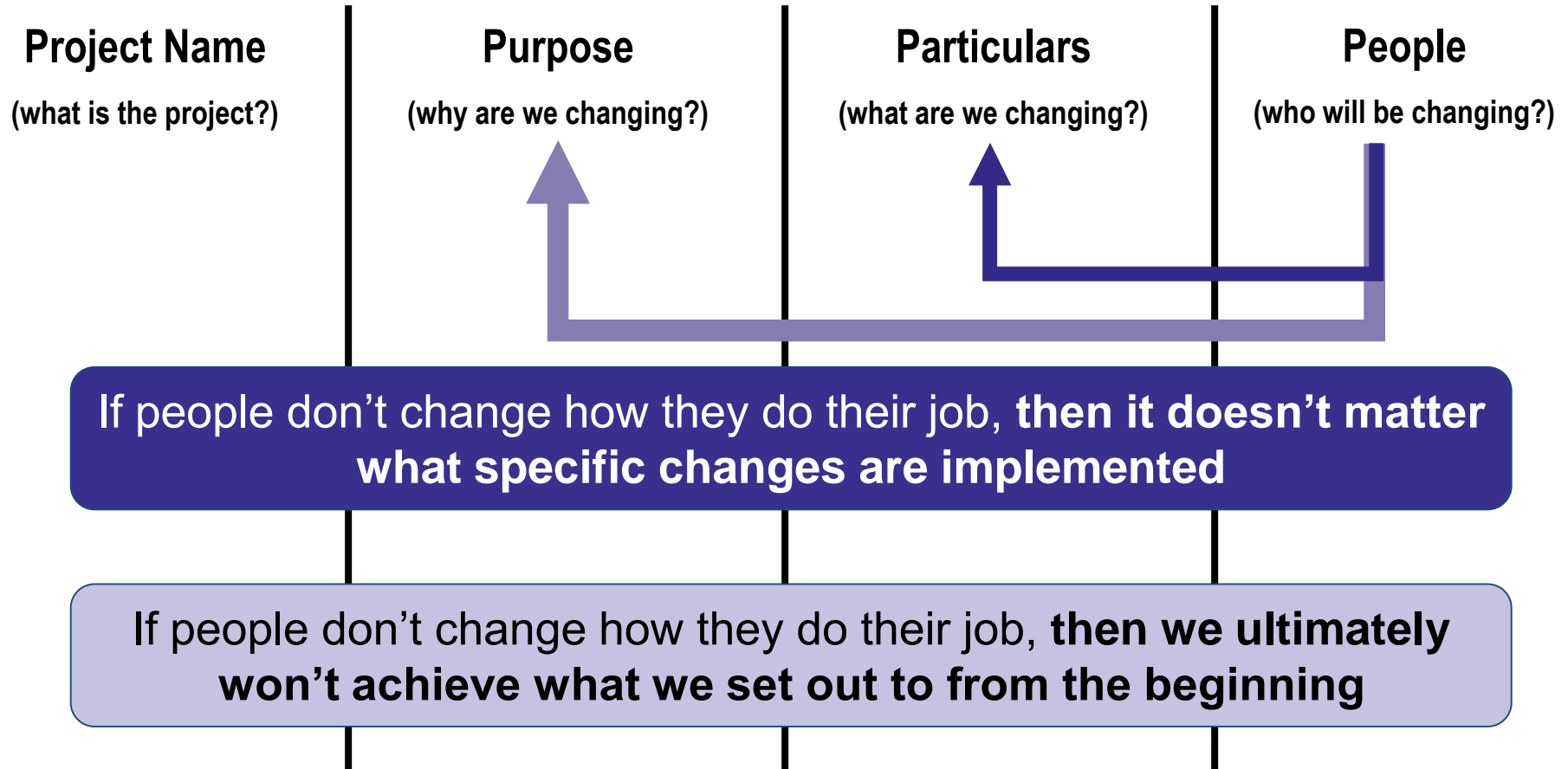© Prosci. From Prosci's 2009 Best Practices in Change Management benchmarking report

1. **Connecting change management to business results**

2. **Mitigating negative consequences**
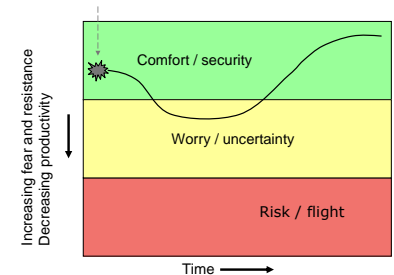
3. **Translating change management to financial performance**

Connecting OCM to business results

Project Name	**Purpose**	**Particulars**	**People**
(what is the project?)	(why are we changing?)	(what are we changing?)	(who will be changing?)

If people don't change how they do their job, **then it doesn't matter what specific changes are implemented**

If people don't change how they do their job, **then we ultimately won't achieve what we set out to from the beginning**

Mitigating negative consequences

1st communication or
1st rumor

With poorly managed change, you can expect a bigger impact that will last longer

Dept. A

Dept. C

Dept. B

Dept. D

Increasing resistance
Decreasing productivity

The reality is that change creates instability and introduces risk to the organisation. Multiple changes within the organisation aggravate and compound this risk

The degree of impact will vary by group and depends on the effectiveness of OCM work

Productivity loss
Employee dissatisfaction
Passive resistance

Turnover of valued employees
Tangible customer impact
Active resistance
Opt-out of the change

Time ⟶

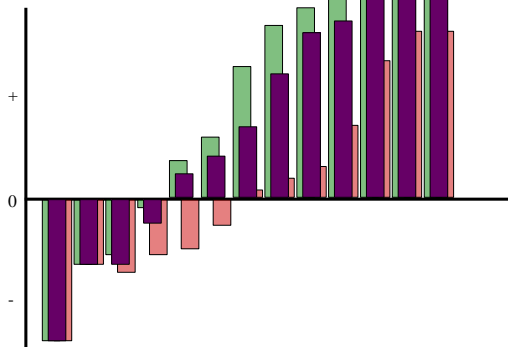**Prosci Flight Risk Model**

With change, you can expect a decline in productivity and an increase in resistance

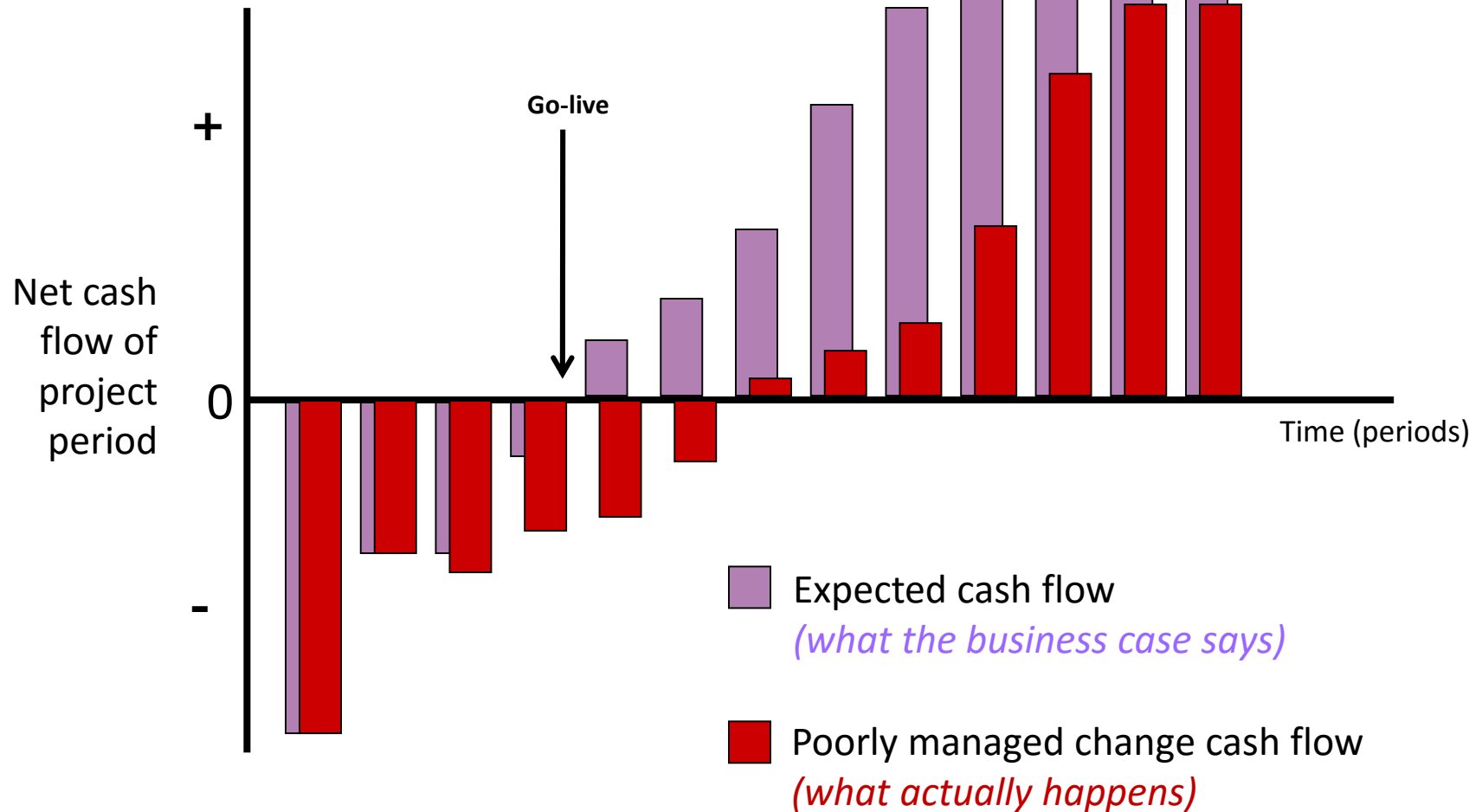INFO5990 - Professional Practice in IT

Translating OCM to financial performance – human ROI factors

- This "Flight Risk Model" reveals the cost avoidance of OCM:
  - Productivity loss
  - Turnover
  - Customer Impact
- What about the ROI (return on investment) of managing the people side of change?

- **Speed of adoption**
  - How quickly are people up and running on the new systems, processes and job roles?

- **Ultimate utilisation**
  - Of the total population, how many employees are demonstrating "buy-in" and are using the new solution?

- **Proficiency**
  - Are individuals performing at the level expected in the design of the change?

Expected returns vs. poorly managed OCM

Net cash flow of project period

Go-live

+

0

-

Time (periods)

Expected cash flow
(what the business case says)

Poorly managed change cash flow
(what actually happens)

The ADKAR® Change Model

The five building blocks for successful change

Awareness
- Of the need to change
- Of the nature of the change

Desire
- To support the change
- To participate and engage

Knowledge
- On how to change
- On how to implement new skills and behaviors

Ability
- To implement the change
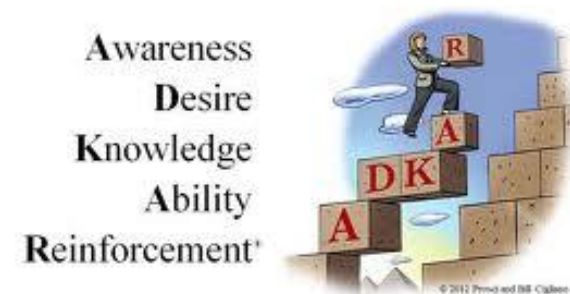- To demonstrate performance

Reinforcement
- To sustain the change
- To build a culture and competence around change

Your change journey…

- Think about a recent change **you** have been involved with

- Can be personal or business related

- Was it a favorable experience (or not) as a result?

The Psychology of Change

Theories and perspectives

1. Change agents must be conscious of both a senders' mentality and the receivers' orientation.

2. Employee resistance is the norm, not the exception. Expect some to never support the change.

3. Visible and active sponsorship is not only desirable but necessary for success.

4. Value systems have a direct impact on how employees react to change.

5. The size of the change determines how much and what kind of change management is needed.

6. The "right" answer is not enough to successfully implement change.

7. Employees go through the change process in stages and go through these stages as individuals.
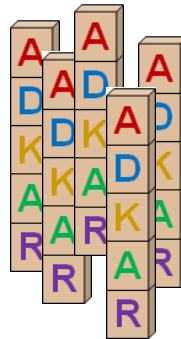
Not everyone changes at the same pace
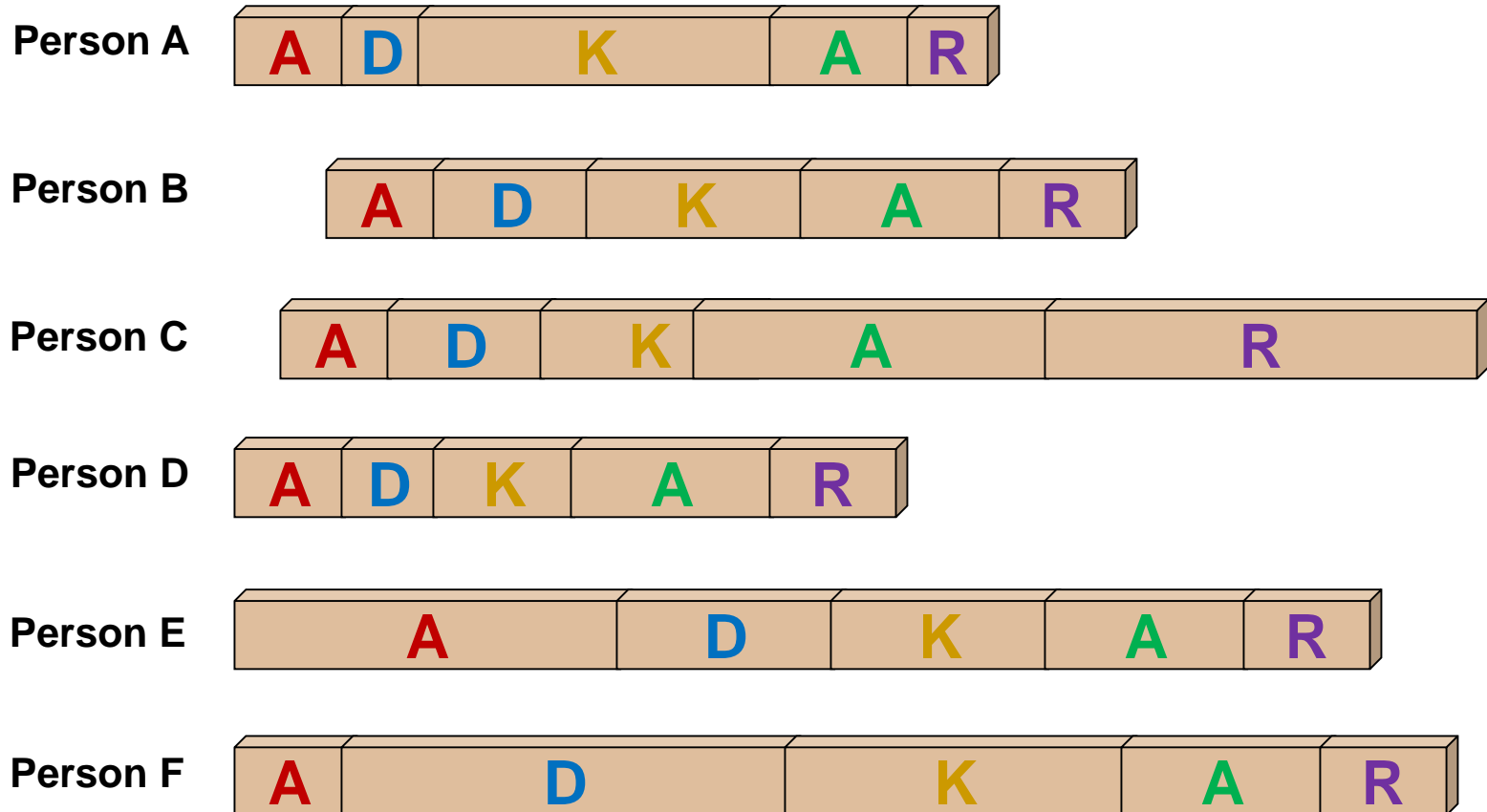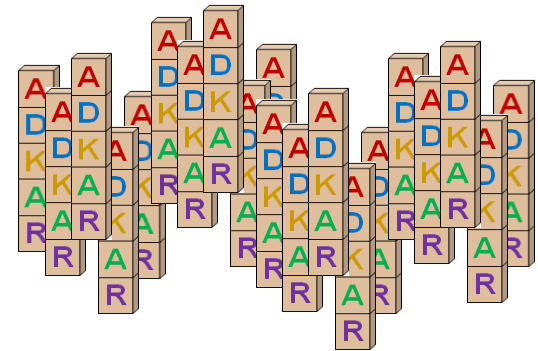
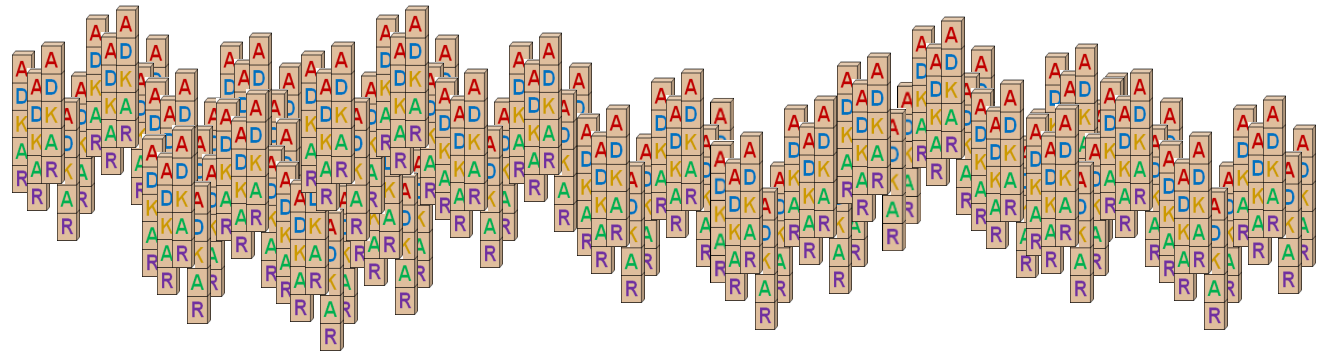# People go through change, not organisations

Change with one person

Or five people…

Or twenty people…

Or 1000s of people to manage...

John Kotter's 8 Step Change Model

Creating a climate for change
1. Increase Urgency
2. Build the Guiding Team
3. Get the Right Vision

Engaging and enabling the whole organization
4. Communicate for Buy-in
5. Empower Action
6. Create Short-term Wins

Implementing and sustaining change
7. Don't Let Up
8. Make it Stick

[5] Kotter, John P. and Cohen, Dan S. *The Heart of Change.* Boston: Harvard Business School Press

OCM Self- Tutorial

- Read the page/article at the following ADKAR coaching website:

  http://www.change-management-coach.com/adkar.html

- Explain to a colleague and be prepared to discuss at least **one example** where you may be able to apply elements of the ADKAR framework in a current or future IT assignment

- Can be work or study related

What went wrong ?

For next week

Remember !!

1. Do the readings
2. Start thinking about your IT entrepreneur
3. Start working on your group assignment

Q&A