Project Management Training - Organizational Change Management

Linda Bell-Sinclair, MIS/M, PMP, ITIL, BRMP, CBP

Agenda

Section 1

Organizational Change Management (OCM) – Defined
- ❑ Why Organizational Change Management (OCM)?
- ❑ Why Change can be Challenging?
- ❑ Purpose of COV OCM Plan

Section 2

❑ **OCM Leadership Roles and Responsibilities**

Section 3

Guiding Principles
- ❑ Current State
- ❑ Future State
- ❑ Potential Impacts and/or Assumptions

Section 1:
Organizational Change Management (OCM) – Defined

Organizational Change Management (OCM) – Defined

Organizational Change Management is a structured approach to shifting individuals, teams and societies from a current state to a desired future state. OCM incorporates people, process, tools and a number of disciplines, including, but not limited to:

Cultural **PSYCHOLOGY** **Training**

Communications **Organizational Design** **Human resource management**

Organizational Change Management (OCM) – Defined

❑ OCM /Customer Relationship Management is successful only when the current culture and the behavior of COV employees are fully in sync with communicating excellence and added value to our customers.

❑ Agencies cannot survive and thrive unless there are disciplined approaches to the following management:
  ❑ Portfolio,
  ❑ Program
  ❑ Project

These strategies need to be <u>responsive</u>, <u>flexible</u> and incorporate <u>effective</u> change management.

Organizational Change Management (OCM) – Defined

OCM is focused on the "people" component of change

INCREMENTAL	TRANSFORMATIONAL
Gradual and Continuous Steps	More dramatic and larger in scope
Evolutionary:	**Revolutionary:**
❑ Bottom-up Change	❑ Sudden, dramatic, and radical, usually top-down in anticipation of larger changes to come
❑ Employing small steps, i.e. continuous improvement	**Reconstructive:**
Adaptive:	❑ Large scale change in response to an event and usually reactive mode
❑ Embrace constant change, i.e. Six Sigma	

Organizational Change Management (OCM) – Defined

4 Sustain Change
- Manage performance and measure success of change against metrics
- Establish a review process to gain and incorporate feedback
- Identify areas for improvement and celebrate successes

1 Prepare for Change
- Engage staff and determine appetite for change within organisation
- Perform diagnostics on organisational structure and gather evidence
- Determine objectives
- Produce high-level time line

Sustain Change | Prepare for Change

Change Management

3 Implement Change
- Roll out change programme, supported by tools & systems changes
- On-going communication and engagement with staff
- Train and develop staff
- Pilot changes before embedding

Implement Change | Plan Change

2 Plan Change
- Set goals and objectives and detailed time line
- Determine change team/key stakeholders
- Set communications plans
- Develop technical plans and management strategy
- Identify risks

7

http://www.aleron.org/services-and-expertise/organisational-effectiveness-1/change-management/

Organizational Change Management (OCM) – Defined

OCM proactively seeks ways to reduce misinformation that causes resistance to change.

Common reactions and responses to organizational change:

❑ **POSITIONING**
Once announced, the content drives initial collective emotional response

❑ **UNCERTAINTY**
Organization accepts change will happen, impact unknown

❑ **CLARIFICATION**
Consistent messages improve understanding of why change

❑ **FOCUS**
Aligned with clarification, new direction, roles and expectations can become clear

❑ **ACCEPTANCE**
Assess the new direction versus personal needs and respond accordingly; some will choose to stay, some will choose to exit

8

Why Organizational Change Management (OCM)?

Commonwealth of Virginia PM Standard requires all projects assessed as Category 1, 2, 3 to create an OCM plan during the Detailed Planning phase of a project.

(Note: Category 4 projects – optional)

Organizational Change Management (OCM) – Defined

Purpose of COV OCM Plan

❑ Assess the impact of delivering the project's products to the user organization and individual users.

❑ Assess the readiness of the user organization and individual users to accept changes to working environments

❑ Identify, describe and plan for actions necessary to facilitate those changes

❑ Reduce resistance to change using various tools of communication.

Organizational Change Management (OCM) – Defined

7 Reasons Change Management Strategies Fail

1. Start and Stop projects-begin but never end
2. Making Change an option
3. Not involving those expected to implement the change
4. Delegated to "outsiders"
5. No change in reward system
6. Leadership doesn't walk the talk
7. No follow-through

Source: http://Top7Business.com/?expert=Mark_Sanborn

Organizational Change Management (OCM) – Defined

Why change management strategies often fail:

❑ Adapting to Change	Human nature to resist change. Adapt and overcome resistance
❑ Controlling change	Focus on the "end" goal
❑ Implementing the change vision	Setting wrong expectations
❑ Change management cannot be an after thought- Need an agile workforce	

Steven Covey's habit #2: "Begin with the end in mind. Focus on the expected outcome".

Organizational Change Management (OCM) – Defined

Change Matrix example:

STAGES				
	Denial	Resistance	Adaptation	Involvement
Personal e.g. move to new office building	"No big deal. I've moved lots of times"	"How can I possibly do my work in a building with bad lighting!"	"If I move my desk over 3 feet and rearrange the file cabinet, I 'll be much more efficient."	"My new office is really a boost to my morale. Adding plants and pictures make it a great place to work."
Group e.g. new boss	"Our new boss is perfect. She's not going to change a thing."	"We've been here longer. Our new boss doesn't know how our department operates. In time, she'll come around. Wait."	"Maybe the boss's new idea is a good one. How can we make it work here? "	" Wow! This new procedure is fantastic. We really know how to do our job well! "
Organizational e.g. budget cuts	"R&D is critical; they'll never change our funding	"If they think they can expect any great products out of here after this, forget it."	"Dividing into individual tasks and meeting weekly might get the project out on schedule."	"This department-based plan for meeting the product deadline is right on target. What teamwork in developing it."
Environmental e.g. tax law revision	"They'll never change the tax laws on real estate. The lobby is too powerful."	"This is hopeless. Forget about all real estate investments."	"Let's look and see if we can come up with any new angles."	"We're making our 3rd offering on rehab properties for low income housing. What a great investment opportunity this is !"

LEVELS (vertical label along left side)

13

Understanding Organizational Change-Lynn Fossum- 1989

Organizational Change Management (OCM) – Defined

Change can be challenging:

Change is not always negative, it can be positive. Change often carries a negative persona
❑ Some people **innately resist change** or pushback. Change can bring on discomfort. People need to be able to absorb change. *Question: Why change? WIIFM concept.*
❑ **Human needs** that impact the reaction to any change: need for control…need for inclusion…need for openness
❑ Change is **constant**. We live in a world of constant change
❑ When **adaptation** to change exceeds resources to do a job.
❑ Put **too much emphasis on what's changing** and not on the people who must implement the change. Introduce change in phases or increments.
❑ **Follow a consistent process**. Changes to process is communicated.
❑ **Oversimplifying change**. Keep it simple but do not underestimate.

Section 2:   OCM Leadership

Roles and Responsibilities

Change Champion

(Project Sponsor/Agency Head not the PM)

❑ Communicating the change (Vision)

❑ Sponsorship-Stakeholders (Sponsors)

❑ Coaching

❑ Training

❑ Managing resistance to change

Roles and Responsibilities

Change Team

(Business process owners, end-users, HR-develop communications strategy)

Simplicity: Reduce amount of information being distributed so that important messages are actually read – clear and simple.

❑ Why this is important - What's in it for me ? **(WIIFM)**

❑ HR Impact

❑ Training impact

❑ Policy, guideline and procedure changes – Workflow changes

Roles and Responsibilities

Change Team- Communication

(Business process owners, end-users, HR-develop communications strategy)

COMMUNICATE	Only meaningful information
CONSISTENCY	Remain consistent in language style, communication channel and timing. Create a Standard Template for all messages.
▪ AUDIENCE	SOC, IAOC, CIOs, AITRs, Project Executive Sponsors, Project Team, Change Control Board etc.
▪ KEY MESSAGE	
▪ DELIVERY METHOD	
▪ FREQUENCY	
▪ SENDER (CHANGE TEAM IS RESPONSIBLE	

Roles and Responsibilities

Change Team

(Business process owners, end-users, HR-develop communications strategy)

CONTINUOUS IMPROVEMENT	STAKEHOLDER ANALYSIS
❑ Evaluate and assess the effectiveness by asking for feedback. Share this feedback with key stakeholders.	❑ Maintain positive attitude
❑ Develop metrics	❑ Demonstrate commitment to the change
❑ Conduct surveys	❑ Provide reinforcement required for success of the change

Roles and Responsibilities

Change Team-Communication Activities

(Business process owners, end-users, HR-develop communications strategy)

❑ Project Newsletter
❑ Project Website
❑ Change Agent Network
❑ Training Campaign (Pilot training, UAT, Train-the-trainer)
❑ Knowledge transfer
❑ User Community Groups (End-user and Process Owner groups)
Note: Change teams may change as the project progresses. Plan to expand the change team as the project moves toward implementation

Section 3: Guiding Principles for OCM Plan

Getting Started - Introduction

Briefly state the mission of the OCM Plan for communicating the change strategy, include overall goal of the implementation and/or changes to the organizational structure.

- ❑ Adding new organizational units
  - ▪ Staffing
  - ▪ Reporting/supervision

- ❑ Changing roles & responsibilities for organizational units that will continue into the future state

- ❑ Dissolving organizational units
  - ▪ Ceasing action on discontinued roles and responsibilities
  - ▪ Reallocating roles and responsibilities to continuing entities (if appropriate)
  - ▪ Staffing reductions
 - ▪ Realigning organizational structures and reporting relationships

OCM Plan Instructions and Guideline

❏ Identify Change Champion and Change Team

❏ Mutually communicate vision:
  ➢ Current State – "As Is"
  ➢ Future State – "To Be"

❏ Assess Potential Impacts /Assumptions /Training

❏ Document required tasks to implement change and assign responsibility

❏ Communicate Impending Change – Keep it simple – don't overcomplicate

❏ Implement Change – Track progress

Organization Change Management

Current State

Transition

Unfreeze — Reshape — Refreeze — Monitor
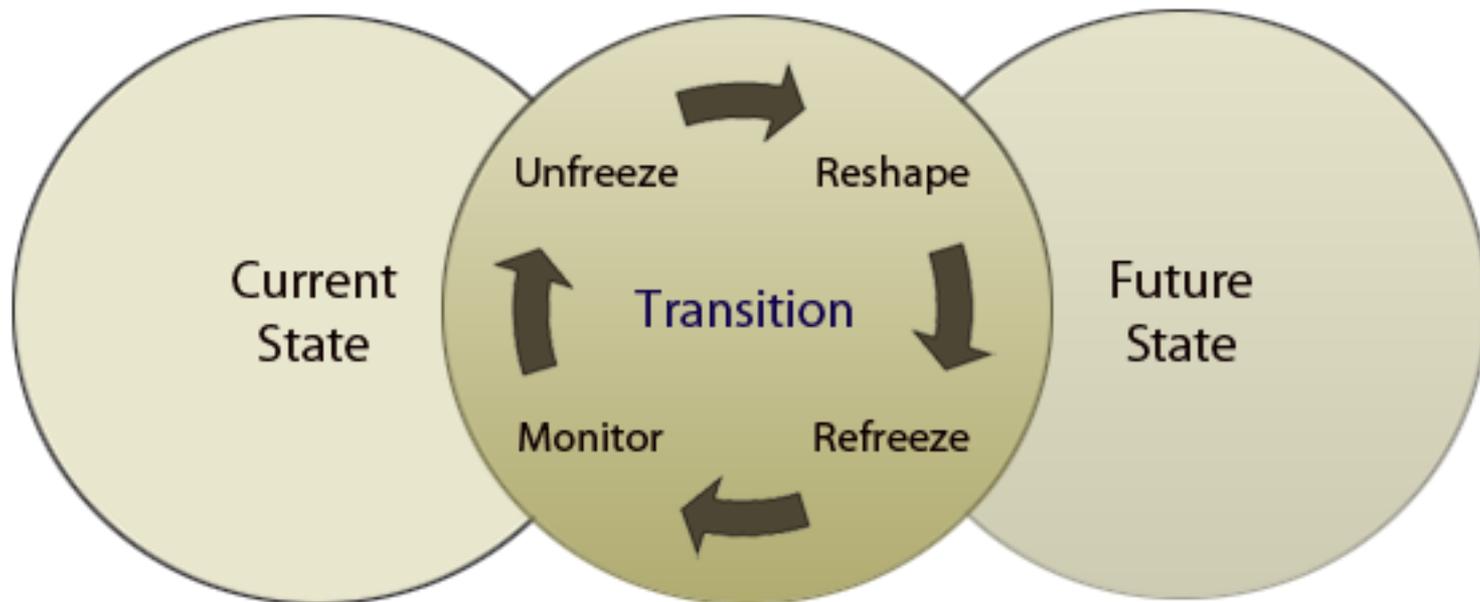
Future State

"A structured approach to shifting from current to a future state"

Current-State Culture

"Words that may provide current culture at your agency."

Tool: wordle.net

Current State

1) Identify the business and operational processes impacted by the project

2) Detail those processes
   ➢ Include the processes that are <u>directly impacted</u> (primary processes), as well as those that <u>provide input</u> to the primary processes (supplier processes) or <u>receive input</u> from those primary processes (customer processes)

   ➢ Identify controlling Code of Virginia sections, policies, standards, guidelines, regulations, procedures

Current State (Con't)

3) Documentation
- ➤ Flow Charts
- ➤ Data Flow Diagrams
- ➤ Code of Virginia sections
- ➤ Policies
- ➤ Standards
- ➤ Guidelines
- ➤ Regulations
- ➤ Procedures

Current State(Con't)

4) Identify critical stakeholders - process owners

> ➢ Describe the stakeholder's interests/roles – power and influence
> Staffing
> ➢ Identify the knowledge, skills and abilities required to perform the
> current business processes

Current State (Con't)

5) Documentation

- ➢ Organizational Charters & Mission Statements
- ➢ Position Descriptions
- ➢ RACI Diagrams

Current State (Con't)

6) Identify and describe the organizational structures that have been established to perform, manage and oversee the primary processes

➤ Documentation
➤ Organizational Charts

Future-State Culture

*"Words that may describe
the preferred future culture at your agency."*

Tool: wordle.net
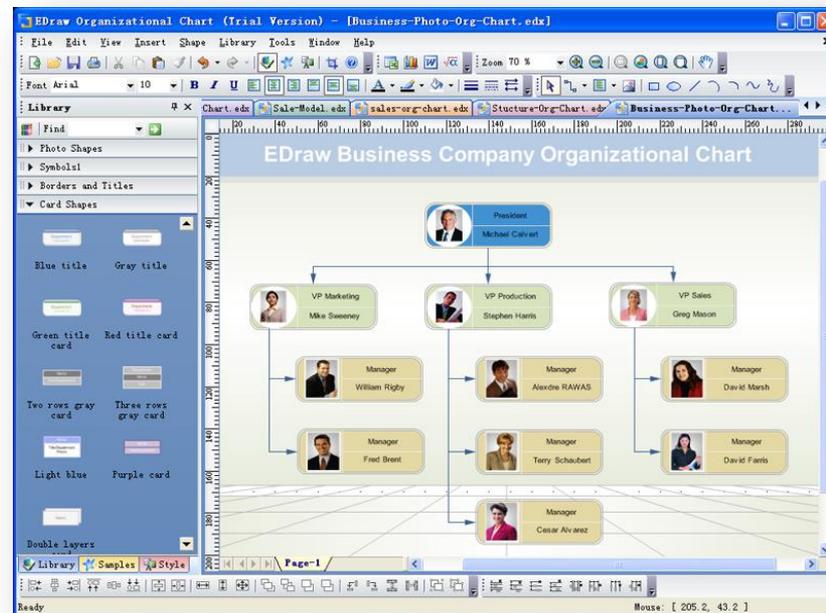
Future State (Vision)

❏ Identify the business processes/operational processes that will be performed using the new system. (To the greatest extent possible, avoid comparisons with the Current State.

❏ Detail those processes
  ➢ Include end-state primary, customer and supplier processes

❏ Identify the stakeholders of those end-state processes

❏ Describe the stakeholder's interests/roles

❏ Identify the knowledge, skills and abilities required to perform the current business processes

❏ Identify the organizational structures that will be required to perform, manage and oversee the end-state processes

Future State (Vision)
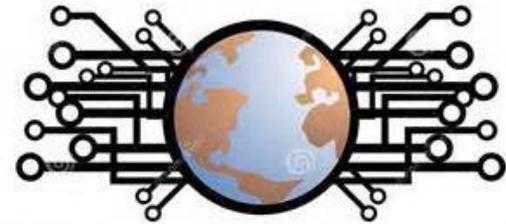
❑ Depicts executive management strategic plan(s) for the agency to move forward with:
- ➢ Newer technology,
- ➢ Process improvements,
- ➢ Job enrichment and,
- ➢ Increase profitability (ROI),
- ➢ Effective communications,
- ➢ Addressing potential resistance,
- ➢ Team collaboration,
- ➢ Increased customer service to and for the agency.

Potential Impacts and/or Assumptions

1. Changes to business processes such as process re-engineering
2. Critical milestones that must be met for success
3. Changes to the code of Virginia, polices, standards, regulations
4. Stakeholder interests and changes of stakeholders
5. Staffing – adding permanent staff, contractors, job description changes, organizational assignments, new skill-sets
6. Organizational structures, i.e. changes in supervision
7. Estimated costs and funding
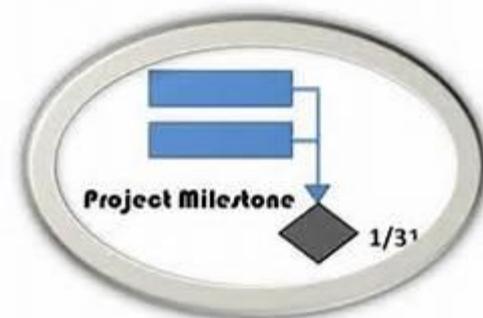
Section 3 Wrap-Up

Training Objectives

Link OCM plan to project communications plan documentation. Below are suggestions on required or expected training that may result from the change:

❑ Upcoming Changes	➢ Provide the organization with information necessary to prepare for upcoming changes, *such as new policy and/or procedures relative to the change.*
❑ Develop Training	➢ Consider training based on business requirements and/or processes because of the change. Consider different ways to deliver training, such as *document process steps*, *hands-on training classes*, *train-the-traine*r or *CBTs*.
❑ Training Documentation Requirements	➢ Identify all required necessary training documents. Identify who is responsible for the training and who reviewed/approved the training
❑ Training Facility Requirements and Budget	➢ As applicable. If formal training is required, please note location, groups to be trained, type of training and the date. Is there a cost for training or free?
❑ Post Implementation Steps – User Groups.	➢ As applicable. Used to ensure that all individuals were aware of the change and impact and system/process working as designed.

35

Summary

C	Communicate	Clearly define why the change needs to happen and when it will occur
H	Helpers	Executive sponsorship and all those impacted by the change
A	Agreed upon goals	Be specific and measureable
N	Nominate and delegate	Assign roles and responsibilities to Change Champions, Change Agents and Change Team.
G	Grow technology	Build enterprise systems AND increase people skills, efficiency and productivity
E	Embrace change	Change is positive and necessary

A New Thought

VITA Slogan: VITA – Powering the Commonwealth's Digital Government

OCM Slogan: Enabling Technology by Embracing Change