The Impact Of Organizational Change Management On Change Initiatives

White Paper

Gary Case
Principal Consultant
Pink Elephant

Executive Summary

If you don't manage organizational change it will manage you. These are simple words but they are very true words. The people, process and technology trilogy has been around for a long time. Most organizations pay attention to planning and managing technology and process changes but don't spend near enough time planning for and managing the people side of change. Yet, it's the people side of change that plays a significant role in the success of any change initiative no matter how big or small the change initiative.

Most studies show that change failure rates range from 60% to 70% and this failure rate has been consistent for a long period of time. Organizations tend to deal with change logically, while people deal with change emotionally as they see any change as going from a known to an unknown future.

This paper will discuss four key activities organizations need to embrace and execute in order to increase the success rate of change initiatives. The four activities are:

- Managing stakeholders
- Engagement
- Communication
- Training

Managing Stakeholders

A stakeholder is any individual or group that may or may not be impacted by the change but have an interest in the change or its outcomes.

There are three steps when managing stakeholders. First, it is important to identify your stakeholders based on the above definition. Second is to conduct a stakeholder analysis to have a better understanding of each stakeholder, and last create a stakeholder map (see communication section) so that you can prioritize and address individuals and/or groups based on the following factors:

- How they will be impacted
- Positive or negative about the change
- The ability to influence others
- Interest in the change

A tool to manage stakeholders is through scheduling interviews or workshops in order to discover information. Use the following chart to aid your conversations. You can customize it to suit your situation. Also, the rating scales can be adjusted. The information collected below will be input into the Communication Plan which will be addressed.

Stakeholder Assessment Analysis					
Stakeholders	**How will they be impacted** 1 = not at all 5= major	**Ability to influence others** 1 = not at all 5= major	**Interest in the change** 1= not at all 5= major	**Positive or negative about the change** 1 = negative 5= positive	**What's in it for them?** Record what is important to them and what they get out of the change
Stakeholder #1					
Stakeholder #2					
Stakeholder #3					
Stakeholder #4					
Stakeholder #5					
Others?					

Engagement

One of the keys to managing organizational change is to ensure that there is engagement with management and staff from the beginning of the change initiative and then on an ongoing basis. Engagement means that both management and staff are involved in the change initiative such as leading lunch and learns, cascading communication in team meetings, helping design processes, and taking on a change agent role to help positively influence the change.

Engagement leads to a sense of ownership and ownership leads to buy-in that then leads to adoption which is the end goal of the change initiative.

Communication

One of the most overlooked aspects of organizational change is the importance of effective and timely communication. Your communication strategy and plan needs to be documented and agreed to before the change initiative starts. The communication strategy will highlight the following:

- Purpose and objective of communication activities
- Identify the key stakeholders who will be involved in the communication activities
- All mediums/methods to be used for communication. This will include town hall meetings, lunch and learns, department meetings, newsletters, brochures, etc. Email alone is not going to be effective
- Proposed timing of the communication

The communication strategy will be input into creating the communication plan. The communication plan is where the detailed information on the following items is captured:

- What is the message – clearly define what the actual communication will be about
- Purpose and objectives of the communication – this describes the expected outcome/results of the communication
- Who is the messenger – this is extremely important as the messenger needs to be aligned with the target audience. The CIO or a senior leader needs to be engaged with the initial communication as it shows the importance of the change initiative. Other messengers can include the IT Service Management (ITSM) program manager, process owners, directors, managers, etc.
- Target audience – the groups identified who will be communicated with. This can be the senior leadership team, managers, functional teams, process teams, etc.
- How the communication will be delivered – select the medium to use such as town hall meeting, department meetings, lunch and learns newsletter, etc.
- Timing – when the communication will occur and the frequency

- Effectiveness of communication – it is critical to understand the effectiveness of the communication plan. The more cascading communication, the more likely there could be a disconnect between the intended message and what was communicated or interpreted. Ensure people are listening to what is being discussed in meetings, at lunch and even around the water cooler

The communication plan will also ensure you are addressing *What's In It For Me* (WIIFM), as well as setting new expectations.

The communication plan is a living document that needs to have an owner who ensures that the plan is executed as required. The stakeholder analysis will be input into the communication plan that will then be input into a stakeholder map so you can ensure the right type and amount of communication is aligned with the stakeholders.
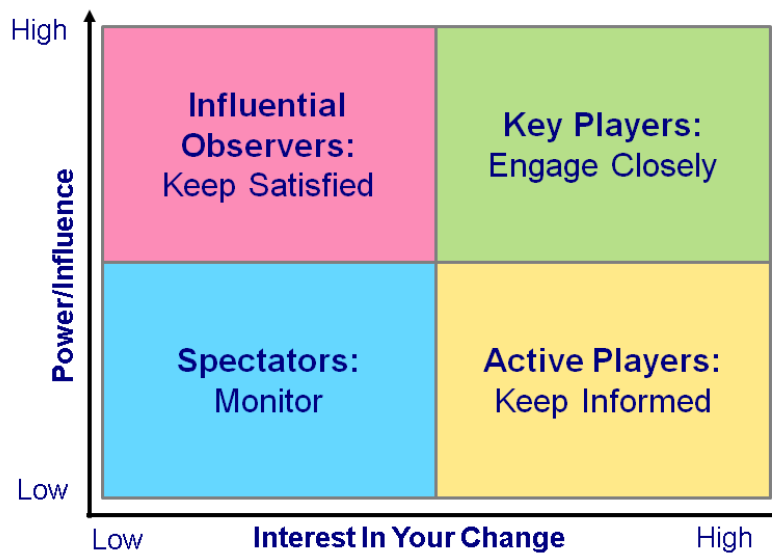
Figure 1: Mapping In Two Dimensions – Figure 4.13, Page 197 *'The Effective Change Manager's Handbook'* (Eds.: Smith, R., King, D., Sidhu, R. and Skelsey, S., 2015) published by Kogan Page.

Training

Training is a critical activity to support organizational change. Management and staff need to have the required skills and knowledge to successfully execute their role. Initial training will include organizational change management training in support of the change initiative.

Other training will vary depending on the change initiative. If you are implementing ITSM using the ITIL$^®$ framework then management and staff needs to have knowledge of ITIL including the lifecycle and processes within each lifecycle phase. They will also need to have specific role-based training on your process and tool. You may also need training on Lean IT for removing waste and increasing value, COBIT$^®$ for governance for Enterprise IT, Agile, and DevOps to name a few.

Conclusion

Properly executing the four activities discussed in this document will help improve the success rate of change initiatives. Each activity requires a level of effort and ownership. Managing stakeholders is key as it will provide input in the engagement, communication and training activities.

To support the four activities discussed there are two quotes the author likes to use when working with organizations.

What gets rewarded gets done; again these are simple words but powerful words. If an organization continues to reward old behavior, than that is exactly what they will get. The communication discussed earlier is important to properly set new expectations and ensure that we are rewarding for exhibiting the desired new behaviors. After setting the desired expectations and objectives, it is important to follow up the performance dialog with management and staff to ensure the organization is moving in the right direction.

The second quote is: **you get what you *inspect* not what you *expect*.**

The act of inspecting is sending a message that what we are doing is important and management is paying attention. Inspecting can take many forms including:

- Go see/observe – as a manager/leader it is important to go to where the work is being performed and show a real interest in your employees and what they are doing. Ask questions to gain a better understanding of what is of value and what is not of value
- Use metrics and reports – ensure that the correct service and process metrics are being captured and reported. Discuss results in meetings and ensure the discussion cascades through the organization. Discussion of metrics
- Attend day start and week start meetings – participate in discussion around a Visual Management Board

About Pink Elephant

We Lead The Way!

A premier global training, consulting and conference service provider, Pink Elephant has an undisputed reputation for leading the way. We're proud of our pioneering and innovative spirit, which has enabled us to introduce and spearhead many revolutionary concepts and programs since our inception forty years ago.

About The Author

Gary Case is the co-author of ITIL V3's *Continual Service Improvement* core volume, and is an IT professional with more than 30 years of experience. As a Principal Consultant Gary is an ITIL Expert and also holds the Business Relationship Management Professional (BRMP®) designation. Gary specializes in providing strategic guidance on Enterprise Governance, Service Management, Lean IT, Business Relationship Management, Business Alignment, Organizational Change, Process Development and Implementation, Project Management, and training to IT professionals across all industries.

Gary is Past President of the itSMF Denver Local Interest Group (LIG) and has run for the itSMF US Board of Directors – an achievement he recognizes as one of his professional accomplishments. He also presents Governance, Lean IT, Business Relationship Management, IT Service Management (ITSM) and ITIL-related sessions to audiences at major events worldwide.

Contact Us

www.pinkelephant.com

1-888-273-PINK

info@pinkelephant.com