Driving Change in Organizations:
Can Organizations and People Really Change?

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Agenda

- Organizational change – Why the buzz?
- What is the nature of the change process?
  - Linear vs. non-linear
- Understanding how organizations and people change
  - Organizational models and assessments
  - The individual change process
- Navigating the change process
  - The role of leadership, communications, training and transition plans
- Implementing organizational change in government
Why is Organizational Change Important to Enterprise Systems Engineering?

Changes Outside the Scope (20%)
- Requirements changed by the time the system was delivered
- System delivered planned benefits, but they no longer mattered to the business

Deficiencies in System Delivery (36%)
- Failure to deliver by the due date
- Technology did not work
- System did not meet requirements

Major Planning Errors (18%)
- System was delivered and used, but the benefits were not obtained

Deficiencies in Organizational Change Management (26%)
- Problem with organizational change management

Why IT Projects Fail

Why is Organizational Change Critical to Successful Business Transformations?

- Research indicates that:
  - Lack of change management is a common barrier and success factor to achieving organizational goals.

<table>
<thead>
<tr>
<th>Top Barriers</th>
<th>% of 500 companies</th>
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<tbody>
<tr>
<td>Functional boundaries</td>
<td>44%</td>
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<tr>
<td>Lack of Change skills</td>
<td>43%</td>
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<tr>
<td>Middle management</td>
<td>38%</td>
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<td>Long IT lead times</td>
<td>35%</td>
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<tr>
<td>Communication</td>
<td>35%</td>
</tr>
<tr>
<td>Employee opposition</td>
<td>33%</td>
</tr>
<tr>
<td>HR (people/training) issues</td>
<td>33%</td>
</tr>
<tr>
<td>Initiative fatigue</td>
<td>32%</td>
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<tr>
<td>Unrealistic timetables</td>
<td>31%</td>
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</table>

<table>
<thead>
<tr>
<th>Top Success Factors</th>
<th>% of 500 companies</th>
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<tbody>
<tr>
<td>Ensuring top sponsorship</td>
<td>82%</td>
</tr>
<tr>
<td>Treating people fairly</td>
<td>82%</td>
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<tr>
<td>Involving employees</td>
<td>75%</td>
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<tr>
<td>Giving quality communications</td>
<td>70%</td>
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<tr>
<td>Providing sufficient training</td>
<td>68%</td>
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<tr>
<td>Using clear performance measures</td>
<td>65%</td>
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<tr>
<td>Building teams after change</td>
<td>62%</td>
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<tr>
<td>Focusing on culture/skill changes</td>
<td>62%</td>
</tr>
<tr>
<td>Rewarding success</td>
<td>60%</td>
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<tr>
<td>Using internal champions</td>
<td>60%</td>
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</tbody>
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The Change Process: Moving through the Transition State

Change is the act of letting go of existing behaviors and attitudes, and moving to and establishing new behaviors and attitudes that achieve and sustain desired business outcomes.

Richard Beckhard, *Organizational Transitions.*
William Bridges, *Managing Transitions, Making the Most of Change.*
Understanding How Organizations Change Can Help Us Prepare for the Long Journey Ahead

- **Establish Urgency & Scope**
  - Identify stakeholders, costs, and benefits of the change.

- **Create & Communicate the Vision**
  - Engage leadership; communicate the compelling need for change.

- **Drive Commitment, Empowerment**
  - Engage workforce in planning the change; validate costs & benefits.

- **Establish Change Infrastructure, Plans & Wins**
  - Introduce new tools, technology, reward systems, training.

- **Sustain & Refine the Change**
  - Measure progress, demonstrate value, communicate success, take corrective action if needed.

The Path to Change for Both Individuals and Organizations is Non-linear

The Change Road Map – “The road ahead is full of landmines.”

The nature of change unfolds in a series of dynamic but manageable phases that require preparation.

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Most organizational change is driven by environmental impact.

Boxes indicate primary variables affecting organizational performance.

Arrows indicate critical linkages.

A change in any variable will ultimately affect every other variable.

Higher level variables have greater weight in effecting organizational change.

Understanding the Nature of Individual Change Provides Additional Insights

The Spiral of Individual Change

- **Pre-contemplation**: Not aware of need for change
- **Contemplation**: Thinking about change
- **Preparation**: Getting ready to make change
- **Action**: Making the change
- **Maintenance**: Sustaining behavior change until integrated into lifestyle

Pros vs. Cons

What are the Organizational Implications of Individual Change Patterns?

The Spiral of Individual Change

Pre-contemplation:
- Assessment
- Vision/Strategy
- External Changes

Preparation:
- Organizational Transition Plan

Contemplation:
- Communications
- Stakeholder Analysis

Action:
- Choice, Training, Success
- Resources (Time, Dollars, Friends)

Maintenance:
- Performance Management

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Navigating the Change Process: The Role of Leadership — What are Today’s Key Leadership Challenges?

Executive behavior that encourages others to take required actions.

Key Challenges:
1. Ability to articulate a clear vision of the future
2. Consistency of leadership behavior across all organizational levels
3. Continuous development of the leadership talent pool and pipeline
4. Powerful leadership development architecture
5. Strategic organizational alignment
6. Top team unity
7. Ability to manage change and pursue continuous organization renewal

Navigating the Change Process: The Role of Stakeholder Communication

Why is communicating during times of change so difficult?

- Interference
- Unclear vision
- Fear of change
- Failure to communicate
- Special Interests lobbying against change

- Customers/Beneficiaries
- Internal Managers and Supervisors
- External Business Partners
- Legislators
- Public Media
- Leadership Team’s Messages
- Internal Workforce
- Other Key Audiences
- Leadership not aligned
- Lack of resources
- Failure to train staff in new skills
- Benefits of change not clear
Navigating the Change Process: The Role of Training

- **Knowledge transfer**
  - Define and implement a knowledge transfer process early

- **Define training requirements**
  - Support systems
  - Resources (people and materials)

- **Model training to user and organizational needs**
  - Directly vs. indirectly impacted users
  - Develop the right training, at the right time, for the right users

- **Training evaluation**
  - Kirkpatrick
Once the Nature and the Impacts of the Change are Understood, a Transition Plan Must be Created

The strategy and vision are validated. The organizational assessment is validated. Costs and benefits are documented. All stakeholders and potential gaps are identified.

The Draft Transition Plan is created. The stakeholder analysis is validated and to-be organizational risk/gap mitigation actions are created. The change leader/team and the business then begin to agree on necessary change actions.

The Final Transition Plan is completed and implemented. This is critical to tracking progress on agreed upon change actions and for holding leadership accountable during implementation.

Organizational Transition Plan
- Transformational
- Transactional
- Communications
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Can Change Occur in Government? YES!

- **Be a leader, not a bureaucrat**
  - Ensure top leadership drives change

- **Take a comprehensive approach**
  - Establish a coherent vision, mission and integrated strategic goals

- **Create a road map**
  - Involve employees to gain ownership and minimize resistance
  - Dedicate an implementation team to manage the process
  - Set implementation goals and a timeline to build momentum and show progress from day one

- **Improve performance against agency mission**
  - Focus on a key set of priorities at outset of the transformation
  - Use performance management system and ensure accountability

- **Win over stakeholders**
  - Establish a communications strategy to create shared expectations and report on progress

Change Indicators: How Can You Tell If A Change Is Taking Hold In Your Organization?

- Process to results/outcomes
- Stovepipes to matrices
- Hierarchical to more horizontal structures
- Inward focus to external focus (citizen, customer, stakeholder)
- Micro-management to employee-centered decision making
- Reactive behavior to proactive approaches
- Hoarding knowledge to sharing knowledge
- Avoiding risk to managing risk
- Protecting turf to forming partnerships

GAO-03-95, Major Management Challenges and Program Risks.
Closing Thoughts: Can Organizations and People Really Change?

Yes! Successfully managing change requires…

- An understanding of the organizational change process
- A model for assessing the complexity of the challenge
- The development of an “integrated” transition plan
- Insight into the nature of how individuals change
- Leadership, communications & training

...and, of course, RESOURCES!
“The smarter the organization thinks it is, the more complacently it manages the obvious.”

Michael Schrage, Co-director of the MIT Media Lab’s eMarket Initiative.
Resources/References

Resources/References (continued)

- Huber, G. and Glick, W., *Organizational Change and Redesign*, edited by Huber & Glick, Oxford University Press, 1995.
Resources/References (continued)

Resources/References (concluded)