Project Management Training – Organizational Change Management

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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:
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** responsive, flexible and incorporate effective change management.
**ORGANIZATIONAL CHANGE MANAGEMENT (OCM) - DEFINED**

OCM is focused on the “people” component of change

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

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ORGANIZATIONAL CHANGE MANAGEMENT (OCM) - DEFINED

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

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

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

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
**ORGANIZATIONAL CHANGE MANAGEMENT (OCM) - DEFINED**

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

Common reactions and responses to organizational change:

<table>
<thead>
<tr>
<th>Positioning</th>
<th>Uncertainty</th>
<th>Clarification</th>
<th>Focus</th>
<th>Acceptance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once announced, the content drives initial collective emotional response</td>
<td>Organization accepts change will happen, impact unknown</td>
<td>Consistent messages improve understanding of why change</td>
<td>Aligned with clarification, new direction, roles and expectations can become clear</td>
<td>Assess the new direction versus personal needs and respond accordingly; some will choose to stay, some will choose to exit</td>
</tr>
</tbody>
</table>

ESI – Taking Charge of Organizational Change, January 2011
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)
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

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

“Begin with the end in mind. Focus on the expected outcome”. - Steven Covey’s habit #2

“Change will not come if we wait for some other person or some other time. We are the ones we’ve been waiting for. We are the change that we seek.” – Barack Obama
## ORGANIZATIONAL CHANGE MANAGEMENT (OCM) - DEFINED

### STAGES (Change Matrix Example)

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

<table>
<thead>
<tr>
<th>Change is not always negative, it can be positive. Change often carries a negative persona</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Some people <strong>innately resist change</strong> or pushback. Change can bring on discomfort. People need to be able to absorb change. <strong>Question: Why change?</strong> <strong>WIIFM</strong> concept.</td>
</tr>
<tr>
<td>- <strong>Human needs</strong> that impact the reaction to any change: need for control...need for inclusion...need for openness</td>
</tr>
<tr>
<td>- Change is <strong>constant</strong>. We live in a world of constant change</td>
</tr>
<tr>
<td>- When <strong>adaptation</strong> to change exceeds resources to do a job.</td>
</tr>
<tr>
<td>- Put too much emphasis on what’s changing and not on the people who must implement the change. Introduce change in phases or increments.</td>
</tr>
<tr>
<td>- <strong>Follow a consistent process.</strong> Changes to process is communicated.</td>
</tr>
<tr>
<td>- <strong>Oversimplifying change.</strong> Keep it simple but do not underestimate.</td>
</tr>
</tbody>
</table>
Section 2: OCM Leadership
# OCM Leaders and Managers

<table>
<thead>
<tr>
<th>Leader</th>
<th>Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copes with change</td>
<td>Cope with the complexity</td>
</tr>
<tr>
<td>Challenges the status quo</td>
<td>Works within the status quo</td>
</tr>
<tr>
<td>Asks why</td>
<td>Asks what</td>
</tr>
<tr>
<td>Plans long term</td>
<td>Plans short term</td>
</tr>
<tr>
<td>Aligns people</td>
<td>Organizes people</td>
</tr>
<tr>
<td>Motivates and inspires</td>
<td>Administrates and control</td>
</tr>
<tr>
<td>Focuses on people</td>
<td>Focuses on systems and infrastructure</td>
</tr>
<tr>
<td>Communicates and delivers vision</td>
<td>Follows the vision</td>
</tr>
<tr>
<td>Looks into the future</td>
<td>Works in the present</td>
</tr>
</tbody>
</table>
OCM 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
OCM 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
### OCM ROLES AND RESPONSIBILITIES

**Change Team-Communication**

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

<table>
<thead>
<tr>
<th>COMMUNICATE</th>
<th>Only meaningful information</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSISTENCY</td>
<td>Remain consistent in language style, communication channel and timing. Create a Standard Template for all messages.</td>
</tr>
<tr>
<td>AUDIENCE</td>
<td>SOC, IAOC, CIOs, AITRs, Project Executive Sponsors, Project Team, Change Control Board etc.</td>
</tr>
<tr>
<td>KEY MESSAGE</td>
<td></td>
</tr>
<tr>
<td>DELIVERY METHOD</td>
<td></td>
</tr>
<tr>
<td>FREQUENCY</td>
<td></td>
</tr>
<tr>
<td>SENDER (CHANGE TEAM IS RESPONSIBLE)</td>
<td></td>
</tr>
</tbody>
</table>
# OCM Roles and Responsibilities

## Change Team

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

<table>
<thead>
<tr>
<th><strong>Continuous Improvement</strong></th>
<th><strong>Stakeholder Analysis</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Evaluate and assess the effectiveness by asking for feedback. Share this feedback with key stakeholders.</td>
<td>□ Maintain positive attitude</td>
</tr>
<tr>
<td>□ Develop metrics</td>
<td>□ Demonstrate commitment to the change</td>
</tr>
<tr>
<td>□ Conduct surveys</td>
<td>□ Provide reinforcement required for success of the change</td>
</tr>
</tbody>
</table>
OCM 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
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**
### COMPARING PROCESSES

<table>
<thead>
<tr>
<th>Project Management</th>
<th>Change Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Initiation</td>
<td>➢ Organizational:</td>
</tr>
<tr>
<td>➢ Planning</td>
<td>➢ Preparing for change</td>
</tr>
<tr>
<td>➢ Executing</td>
<td>➢ Managing change</td>
</tr>
<tr>
<td>➢ Monitoring and controlling</td>
<td>➢ Reinforcing change™</td>
</tr>
<tr>
<td>➢ Closing</td>
<td>➢ Individual:</td>
</tr>
<tr>
<td>• Process groups defined in the Project Management Institute’s PMBOK®</td>
<td>➢ Awareness</td>
</tr>
<tr>
<td></td>
<td>➢ Desire</td>
</tr>
<tr>
<td></td>
<td>➢ Knowledge</td>
</tr>
<tr>
<td></td>
<td>➢ Ability</td>
</tr>
<tr>
<td></td>
<td>➢ Reinforcement®</td>
</tr>
</tbody>
</table>
CURRENT-STATE CULTURE “WORDS THAT MAY PROVIDE CURRENT CULTURE AT YOUR AGENCY.”
CHANGE MANAGEMENT AND PROJECT MANAGEMENT

Current state
Transition state
Future state

Project management

Technical side of the project

Current state
Transition state
Future state

Change management

People side of the project

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STATES OF CHANGE

Current state

Transition state

Future state

How things are done today

How to move from current to future

How things will be done tomorrow
EXAMPLES OF CHANGES

Current state

Transition state

Future state

Ad hoc processes → Documented and managed processes
Multiple, legacy systems → One integrated database
Generalists in the call center → Specialists in the call center
No web interface for suppliers → Supplier website integrated into supply chain
Two different companies → Merged organization

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Current State

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

2) Detail those processes
   - Include the processes that are directly impacted (primary processes), as well as those that provide input to the primary processes (supplier processes) or receive input from those primary processes (customer processes)
   - Identify controlling Code of Virginia sections, policies, standards, guidelines, regulations, procedures
3) Documentation

- Flow Charts
- Data Flow Diagrams
- Code of Virginia sections
- Policies
- Standards
- Guidelines
- Regulations
- Procedures
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 (Cont.)

5) Documentation
   - Organizational Charters & Mission Statements
   - Position Descriptions
   - RACI Diagrams
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.”
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
### Training Objectives

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

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upcoming Changes</strong></td>
<td>Provide the organization with information necessary to prepare for upcoming changes, such as new policy and/or procedures relative to the change.</td>
</tr>
<tr>
<td><strong>Develop Training</strong></td>
<td>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-trainer or CBTs.</td>
</tr>
<tr>
<td><strong>Training Documentation Requirements</strong></td>
<td>Identify all required necessary training documents. Identify who is responsible for the training and who reviewed/approved the training</td>
</tr>
<tr>
<td><strong>Training Facility Requirements and Budget</strong></td>
<td>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?</td>
</tr>
<tr>
<td><strong>Post Implementation Steps – User Groups</strong></td>
<td>As applicable. Used to ensure that all individuals were aware of the change and impact and system/process working as designed.</td>
</tr>
</tbody>
</table>
# Summary

<table>
<thead>
<tr>
<th>C</th>
<th>Communicate</th>
<th>Clearly define why the change needs to happen and when it will occur</th>
</tr>
</thead>
<tbody>
<tr>
<td>H</td>
<td>Helpers</td>
<td>Executive sponsorship and all those impacted by the change</td>
</tr>
<tr>
<td>A</td>
<td>Agreed upon goals</td>
<td>Be specific and measureable</td>
</tr>
<tr>
<td>N</td>
<td>Nominate and delegate</td>
<td>Assign roles and responsibilities to Change Champions, Change Agents and Change Team.</td>
</tr>
<tr>
<td>G</td>
<td>Grow technology</td>
<td>Build enterprise systems AND increase people skills, efficiency and productivity</td>
</tr>
<tr>
<td>E</td>
<td>Embrace change</td>
<td>Change is positive and necessary</td>
</tr>
</tbody>
</table>
Organizational Change Management has been proven to support projects by:

1. Increase project overall success based on scope, schedule and budget
2. Send clear messages about the change and improve communications with all stakeholders and project teams
3. Make changes easier and more cost-effective based on feasibility
4. Prioritize resource availability
5. Empower employees to embrace and get comfortable with the change. Step out the comfort zone
6. Managers and team members can talk through challenges that become opportunities via a feedback loop
7. Provide a system or matrix for change readiness
BEST PRACTICES

Having a Change Champion and a Change Team had great benefits for the acceptance of our new system.

Description
Implementation of a major legacy system using newer technology.

Discussion
Implementing a legacy system that is at end of life with new technology that requires new process definition, new role definition, security measures and a mission critical application upgrade.

Comments
A major legacy system replacement using newer technology can be frightening to the user staff who use it. Having a Change Team engaged to listen to and acknowledge how difficult it is to accept change and to encourage and reassure them is critical. This let the staff know that they are valued as employees. Fun events and activities were planned on a monthly basis (at a minimum) to keep the idea fresh and positive.
A New Thought

VITA Slogan: Connecting – Protecting - Innovating

OCM Slogan: Enabling Technology by Embracing Change