Organizational Change: All We Want is Better Projects—Why So Difficult?

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ABSTRACT—Change is a fact of life and business has always dealt with it. So why is it getting so much more attention now? Two broad reasons: business depends on it more, and reports that it fails more. The nature of change in industry has, itself, evolved dramatically in the last 10 years and some organizations seem reluctant to accept this. The marketplace has become global at a fantastic rate, communication technology has leapt forward, product life cycles have shortened, investment markets are hungrier, legislation and scrutiny have increased, industries have deregulated, diversity has exploded in the workplace—both in racial culture and in generation gaps, with the corresponding contrasts in communications and expectations. The pressure is unlike ever before. We live in an age of accelerating change, and we are all feeling it.

Keywords: Best practices, change, communication, leadership, planning, project management and teamwork

“If you don’t like change, you’re going to like irrelevance even less.”

—General Eric Shinseki

Unfortunately, pockets of industry remain in denial, which explains the reports. Consultants see organizations handling occasional change on an ad hoc basis, wanting to ‘just get through this period’, expecting it will then settle down again. Leaders are surprised at how much of their time change requires, above 40 percent for some [6, 28]. ‘Organizational change’ is now rated as the most significant obstacle for organizations. Traditionally, having to manage change referred to ‘normal’ change: new circumstances within the capability of the status quo. Today, we are still dealing with ‘normal’ change, but also face ‘major’ change: a majority of the organization must become good at behaviors and skills they are not good at now. Jack Welch, in the remaking of GE, specified that everyone must learn new skills, values, behaviors—even top management [16].
There’s much more change in industry than ever before; it is also more critical than ever before.

Both are on the rise and industry analysts say change will soon be continuous. It is important for us to get better at it, and quickly [6].

**How Well is Change Managed?**

Lior Arussy to Tom Peters: “Most companies don’t believe they need to do change management, and that is a fatal mistake, because those projects fail [2, 38].” A Gartner Group study of system installations shows 50 percent failure [37]. A 2002 article integrating results of 49 studies on major change projects showed complex initiatives fail 67-81 percent of the time [17]. Eighty three percent of CEOs expect to face substantial change in the next three years, but only 61 percent believe their organizations managed change successfully in the past [14]. 60-80 percent of mergers don’t deliver expected results [9, 34]. We hear of organizations sold off because it was easier than trying to change them. John Kotter is one the most knowledgeable and outspoken on the state of affairs: “In too many situations, the improvements have been disappointing and the carnage has been appalling, with wasted resources and burned-out, scared, or frustrated employees. To some degree, the downside of change is inevitable. Whenever human communities are forced to adjust to shifting conditions, pain is ever present. But a significant amount of the waste and anguish we’ve witnessed in the past decade is avoidable. Available evidence shows that most public and private organizations can be significantly improved, at an acceptable cost, but that we often make terrible mistakes when we try because history has simply not prepared us for transformational challenges.” “From years of study, I estimate that today more than 70 percent of needed change either fails to be launched, even though some people clearly see the need, fails to be completed, even though some people exhaust themselves trying, or finishes over budget, late, and with initial aspirations unmet. A 70 percent failure rate is an enormous drag on a company, a government, an economy, or a society. Investors are obviously hurt, but the pain goes in all directions: to employees, customers, our families.”[18, 19, 22]

Failure data is always difficult to gather—people are reluctant to participate, because of the fear of impact, both to personal image, and to the organization’s competitive position—anonymity is a must. In light of this, the above reports are significant; it would appear that change is either not managed at all, or managed poorly. This has certainly been the author’s experience.

In general, it seems that we simply don’t take change seriously. Interestingly, we seem surprised that it doesn’t go well, and wonder why.
Do We Know the Reasons?
Managing all this change has become an industry of its own and change management has become a buzz-word. If it’s so important, why is it failing so much? The following are representative of failure reports.

Why do big change projects fail? (percentage of firms responding) [10]

- Resistance by employees 82 percent
- Inadequate sponsorship 72 percent
- Unrealistic expectations 65 percent
- Poor project management 54 percent
- Business case not compelling 46 percent
- Project team lacked skills 44 percent
- Scope expansion/uncertainty 44 percent
- No organizational change plan 43 percent
- Silos/no horizontal process view 41 percent
- Functional perspective not integrated 36 percent

“Countless studies have been conducted to understand why organizational transformations often fall short of achieving their objectives. In nearly all cases, the answer is related to people—poor leadership, not enough sense of urgency, resistance to change, incompatible cultures, inadequate training; challenges most likely underestimated: training, culture, communication, executive alignment [9].” Change projects fail because of organizational resistance almost twice as often as because of any technical issue [23]. “Too often, management focuses on the tangible or ‘hard’ issues, e.g., accounting practices, IT, without comprehensively addressing the internal human issues [34].” “People-related challenges are the most significant barrier to organizational transformation [9].” Consultants generalize that change fails because the effort to change is underestimated, as are the obstacles. Kotter not only identifies ‘reasons’ for failure, such as:

- Cost too high, quality low, requirements not addressed.
- Inward-focused culture, bureaucracy, politics, arrogance.
- Lack of leadership, lack of trust and teamwork. And,
- General human fear of the unknown.

But, then identifies the errors in our management of change that cause them:

- Error #1: Allowing too much complacency.
- Error #2: Failing to create a sufficiently powerful guiding coalition.
- Error #3: Under-estimating the power of vision.
- Error #4: Under-communicating the vision by a factor of 10 (or 100 or even 1,000).
- Error #5: Permitting obstacles to block the new vision.
Error #6: Failing to create short-term wins.
Error #7: Declaring victory too soon. And,
Error #8: Neglecting to anchor changes firmly in the corporate culture [18, 20].

There are plenty of statistics and even more anecdotes, including the author’s personal experience; the above is only a sampling. Clearly, analysis points to people issues far more than any technical aspect. Change would be easy, if it weren’t for the people!

Unstructured listings of causes like those above, don’t hold much value since they represent a particular view or narrow context. They are a mix of actual problems occurring during the change, and various levels of causes leading up to those problems (some before the change). Following the chain of influence, even in a superficial manner, adds to our understanding.

They boil down to mainly resistance and complacency during the actual change, along with confusion or general uncertainty. Everything leads to resistance, or failure to commit to the change, in the end.

Contributing to these are many factors: a lack of understanding of purpose and direction; fear; insufficient training/knowledge/competence; ineffective communications; inadequate leadership/sponsorship/management and their products (structure, planning, strategy, alignment, vision, expectations); change not taken seriously, complacency, underestimated effort and obstacles; and other cultural issues.

Most interesting to us are the root causes that that exist during the change, and even beforehand: knowledge/competence, and core elements of culture; these are complex since each exacerbates the other. Leadership must be considered the ultimate cause, since it is responsible for everything in the organization.

“We have met the enemy and he is us.”

Walt Kelly (‘Pogo’)

Resistance

“We have met the enemy and he is us.”

—Abraham Lincoln

It is human nature to resist change, and more-so in the collective of the organization; Dynamic conservatism recognizes that organizations tend to protect themselves from change to remain stable. We are creatures of habit and do not change unless comfortable. Resistance is largely caused by fear, but confusion, anger or complacency may also contribute. At its root, we could say that all resistance is caused by a lack of alignment—they do not see or accept the benefit; “stakeholders’ inability to feel the compelling reason for the change [9].” Resistance must be expected in every change. Breaking down the main source:

• Fear of personal loss—will we be better or worse off? It’s human nature to feel alone
• Fear of the unknown—we cling to what is familiar, even if we don’t like it (comfort zone). And,
• Fear of leaving tradition or convention—people cling to ‘the way it’s always been done’; we assume it was (and remains) the best way.

If change is infrequent and abrupt, we can expect resistance to be higher.

“The only person who likes change is a wet baby.”
—Mark Twain

Complacency
Complacency may be harder to manage since it’s less tangible than other issues. It can manifest in any stakeholder, in terms of resistance, but also in leadership, in not treating the challenge seriously. It is basically emotional, and amounts to a lack of commitment. Some of the difficulties [3, 22]:

• Mature organizations have never felt a sense of urgency. They didn’t grow up in a fast moving world so it’s not in their culture [12].
• Successful organizations are naturally complacent, content with the status quo. Focus stays on growth; Even when “experiencing devastating problems, business-as-usual can survive.”
• False urgency is worse: flurry of behavior driven by anxiety, frenetic activity is distracting. And,
• Detection is difficult: outsiders may see internal complacency, arrogance from past success, but complacent insiders don’t - even very smart people.

“Hope is not a strategy.”
—James Lewis [24]

Uncertainty
Sometimes people don’t intend to resist change - they just don’t know how, or are confused about what direction to move; there is a general lack of direction and uncertainty in the environment. Inefficiency, conflict, paralysis, de-motivation is the result. Leadership is the omission, in some form:

• Absence of leadership—no one assigned or a manager is left with it.
• Ineffective leader—weak governance, ineffective decision-making and communications.
• Multiple leaders/committee—conflicting roles and authority, paralysis from delay; ‘When everyone’s in charge, no-one’s in charge.’ Regardless of how, gaps result in leadership products.
• Lack of vision—the most critical, including ineffective communication and ‘selling’; delay can be as bad as absence; “Without a genuine sense of common vision and values, there is nothing to motivate people beyond self-interest.”
• Day-to-day management not delegated to ‘manager of change’; and/or ad hoc approach—lack of an understood vision causes lack of strategy/plans, organization, integration.
• Poor stakeholder management (SHM)—lack of analysis and influence of expectations. And,
• Lack of inspiration and motivation, encouragement, support (‘safe’ direction).

“If you don’t know where you’re going, you’ll end up someplace else.”
—Yogi Berra

A common result from an ad hoc approach is the ‘islands of excellence’ effect. Without an integrated strategy linking the groups under pressure, the individual functions find ways to improve, but in isolation. Improvement seems like a good thing, until it’s noticed that the various approaches are now actually in conflict; in the big picture, they are working against each other.

Knowledge Gap
No one wants to do their job poorly. Far more than industry likes to admit, the reason things are not done well is that people simply don’t know any better. A few critical areas:

Knowledge of Cause
Best practices (BPs) continue to be rejected by large portions of industry. One reason is a lack of grasp of cause and effect—decisions always have consequences. Ironically, people won’t learn about causes until they accept that the failure they are experiencing, is an effect. A common definition of insanity comes to mind. Edward Deming’s red bead experiment shows that the best way to improve the quality of a product, is to improve the quality of the system that produces it. Unfortunately, root cause analysis (RCA) has reached buzzword status, and it’s exactly this discipline we need more of. If they understood the causes of failure, they’d act differently.

Knowledge of Change
The lack of cause/effect insight is not just in the area of change (scope), but also in the management of that change: Organizational change management (OCM). Project failure research shows that technical reasons are never prime; Project management and OCM are unique areas of knowledge and skill; they are the main reason.

Examples in OCM
As examples of both knowledge of cause and knowledge of change, change would occur easier if people knew: what causes resistance, where complacency comes from, what creates clarity and alignment of direction, etc.

Learning
This is less of an issue during change, as before it; but there is still a role to play, i.e., learning lessons. In general, lacking knowledge is understandable; refusing to accept it is not. There are many possible barriers:
• Short-term results: urgency over improvement; anger over errors vs. valuable lessons. 
And,
• Pride in history—success breeds arrogance; tradition is entrenched over time.

Peter Senge, champion of the ‘continuous learning’ culture, believes that ‘learning disabilities’ are “as tragic in organizations they are in children, where they are also undetected” [33], examples:

• ‘I am my position’ - boundaries obscuring sense of responsibility.
• 'The illusion of taking charge’ - reactivity in disguise, busyness without RCA. 
And,
• ‘The delusion of learning from experience’ - requires rapid and unambiguous feedback; in a complex system, the consequences of our actions are neither.

“The recipe for perpetual ignorance is: be satisfied with your opinions and content with your knowledge.”

—Elbert Hubbard

Cultural Issues
Some Basics of Culture
Organizational culture is an extremely broad topic - the concept has grown into its own science and organizational theorists have generated a vast array of literature; Edgar Schein, Jeffrey Sonnenfeld, Geert Hofstede, Charles Handy carry weight [31]. ‘How to change culture’ is built on this by John Kotter, Peter Senge, etc. Culture’s definition is elusive—explained by components or elements, structured in levels, comprise types—approaches seem infinite. It can be seen as:

• The personality of the organization.
• The way things get done around here.
• The beliefs and assumptions, values and norms, attitudes, traditions, and the resulting tangible signs and behaviours of an organization. And,
• A pattern of shared assumptions the group learned as it solved problems, worked well enough to consider valid, therefore taught as the correct way to perceive, think, feel.

The concept of levels is important because attempting to modify behavior without considering underlying causes is typically ineffective. Schein’s organizational model describes three [32]:

• Attributes that can be seen, felt, and heard
• Professed culture (mission statements, slogans, attitudes) captured via interview/survey
• Tacit assumptions, unspoken rules (unseen); cannot identify by survey or casual interview.
Various types of elements can be used to construct culture: paradigms, organizational structure, power structure, risk tolerance, individualism/collectivism, commitment/personal responsibility. Elements become entrenched over time, not necessarily due to anything but habit, to form tradition. Pressure to comply increases with this ‘strength’ of culture.

“During times of universal deceit, telling the truth becomes a revolutionary act.”

George Orwell

After decades of work, Schein sums up the challenge: “We don’t understand well enough how culture works—how it is created; how it evolves; how it changes; and how it influences strategy, structure, and business processes. It is precisely this absence of knowledge that makes executives nervous about culture as a concept. Culture appears to be something that is difficult to control; hence, it is often avoided when strategy and process is discussed.” It is especially important to better understand the role of leadership in the creation and evolution of culture [32].

Some cultural elements that undermine change are:

- Defensiveness, justification, denial; pride, arrogance, self-righteousness.
- Shooting the messenger, scape-goating, finger-pointing.
- Tradition - it worked yesterday.
- Short-term, urgency focus – myopic.
- Consequences (rewards, penalties)—none, too easy, misaligned. And,
- Complacency, ad hoc approaches, lack of structure or objectives, ‘Insanity: doing the same thing over and over again and expecting different results.’

Faulty Paradigms

“What gets us into trouble is not what we don’t know. It’s what we know for sure, that just ain’t so.”

—Mark Twain

Paradigm has come to mean: perception assumption, model, way to perceive, interpret situations. Covey helped popularize the term, making some profound observations: the shift in US social paradigms had not been beneficial; principle-centered paradigms are impossible to break. Paradigms are a key component of culture, and often not beneficial to change. Some of those most harmful are listed here:

- Causes have no effect—failure to ‘see’ this linkage results in breaking (attempted) of principle-centered paradigms: decisions without consequences, getting ‘something for nothing’, solving symptoms with band-aids, dismissing BPs, reactive management
- Compartment thinking—local culture in functional groups or hierarchy levels (territorial); Silos solve problems in their best interests not the organization’s, stifle communication, alignment, teams
• **Excessive value of tradition**—stronger with duration and success; can be a motivator but taken too far: tradition outweighs performance, the need for change is met with denial, etc. “People make the mistake of thinking that what worked yesterday, will work tomorrow.”

• **Leadership and management are synonymous**—treated as interchangeable in some roles, organizational needs aren’t met

• **Due diligence is undue**—how much rigor is enough? Unjustified level of effort or risk reduction? Traditional called BPs; some resent a formal approach, preferring ad hoc

• **Excessive optimism**—positive is good; ‘spin’ is not; politically incorrect to be realistic?
  “The pessimist complains about the wind.
  The optimist expects it to change.
  The realist just adjusts the sail.”

• **Non-technical is not of value**—Technical staff tend to focus on the technical - familiarity brings comfort; non-technical topics are given lower value, even if unintentional—didn’t solve their problems before (see culture definition), e.g., engineers regarding culture.

**Lack of Accountability**

This obstacle to success can show itself in many ways:

• Decisions made without due regard to consequences (effects)—solutions determined without analysis; reacting to the first suggestion vs. options; delay until irrelevance.

• Denial of truth/fact, causing others to be blamed, opportunities to be lost, excessive optimism, arrogance, ‘spin.’

• Avoiding RCA, solving symptoms, relying on band-aid solutions and crisis management. And,

• Cavalier attitude, ad hoc approach vs. due diligence.

This was put into perspective by an AACE International paper entitled, “Playing Games,” showing the systematic understatement of scope, risk, cost/schedule: ‘just get the project approved’ [7]. A low level of accountability underpins everything we think, speak and do; in the extreme, it is professional irresponsibility. Covey’s exposure of society’s shift to the ‘personality ethic’ gives perspective, as does John Maxwell’s book *There's No Such Thing As "Business" Ethics* [25] Sarbanes-Oxley legislation (SOX) was created to bring accountability to publicly traded companies; some talk about the need to extend this to apply to projects.

Denial is described by psychologists as a dangerous place. In the process of dealing with problems, a person stuck between ‘knowing’ and ‘acknowledging’ knows enough to hide the problem.
Ineffective Communications
“Show me a failed project, and I’ll show you a failure in communications.”
Dr. Francis Hartman

Any failure in the management of work, given full root cause analysis (RCA), is traceable to some type of communications breakdown. The failure may consist of many parts:

- Filtering or constraining access to information; intentional or because of incomplete understanding; punishing those who bypass the filter (shoot the messenger).
- Misaligned terminology, ambiguous, conflicting.
- Unsuitable medium, inadequate communications plan.
- Indirect implied messages: ‘avoid commitments in writing.’

Some failure is not in the communication, but in the overall strategy: just communicating a change does not make it happen.

DRIVERS OF SUCCESS

The Big Picture
Now that we understand there are great difficulties, perhaps we should just resign ourselves to the regular failure of change. Given the circumstances, that seems reasonable, but on the other hand, excessive. The good news: success is possible. The bad news: it takes time and effort. From above, we understand that dealing with the three root causes identified will make all failure go away. But how? First, we should set some context:

Timeline Context
Following a common BP of project management, proactive behavior, we need to acknowledge that much of the effort required for success cannot begin during a change—it must be done before the change (see figure 2). For instance, leadership, knowledge and culture are in place to some degree before, and will all determine how well the change is initiated; to improve on this, learning, skills development and cultural change need to occur before [1].

Occurring during a change, and specific to each, are an application of knowledge, two aspects of leadership, supportive aspects of culture such as the application of communications, urgency, structure, and stakeholder management (SHM). The terms: before/during are used below.
Defining Change Management

What is ‘change management’? A sampling of informed opinion:

- A structured approach to transitions in individuals, teams, organizations and societies, that moves the target from a current state to a desired state.
- Use of systematic methods to ensure that a planned organizational change can be guided in the planned direction, conducted in a cost-effective and efficient manner, and complete within the targeted time frame and with the desired results.

Consistent messages from best practices:

- Based in science and has a body of knowledge.
- An approach, concept, or discipline that is systematic, structured, disciplined. And,
- Has scope, schedule and budget implications.

In this paper, we’ll use the term: organizational change management (OCM). An organization must agree on definition and strategy for applying OCM, or risk miscommunication.

Changes to project definition, with impacts on scope, cost or schedule for example, are best defined as ‘change control’; separate terminology is required to avoid ambiguity with OCM.

Some Basic Rules

These rules that serve us well in project management, should also help in change:

- ‘There is no silver bullet.’ A magical solution does not exist! Stop looking.
‘There is no free lunch.’ We can’t have something for nothing. Anything of value costs.

The correct project manager (PM) answer is always: “That depends.” (context).

‘It’s all about people.’ Stakeholder management (SHM) is key to success (expectations).

“You can pay me now, or pay me later.” Fram oil filters: early proactive management.

Take it Seriously!

So, success requires time and effort. What is the first step to investing both? Kotter makes a powerful observation—successful changes seem to be based on a fundamental insight: change does not happen easily for a long list of reasons [18, 21]. We take things seriously when we realize a lot can go wrong. Simply put, it comes down to our attitude.

“We cannot solve our problems with the same thinking we used when we created them.”

—Albert Einstein

Simply acknowledging what we’re up against, taking the change seriously, is our biggest contribution to success; at least in part, this is because it is comes first in the sequence. Due diligence and integrity are principles to apply from the outset. Obviously, all BPs should be applied to deliver success in change, those of project management and otherwise. However, the most significant drivers of successful change, after taking it seriously, are:

- Leadership; and
- Knowledge.

A combination of these enable establishment of a:
- Structured approach.

which ensures:

- Stakeholder Management; and
- Communications.

All of these six make it ‘possible’ to succeed. The deciding factor, though, is the:
- Sense of urgency.

It would certainly help to have a:
- Supportive culture (also enabled by leadership and knowledge).

In all things, rigor, discipline, accountability—apply what we know.

It may be surprising to learn there is an entire body of knowledge defined to counter the reasons for failure discussed above, and more. This is a very brief introduction to that knowledge.
“Without deviation from the norm, progress is not possible.”
—Frank Zappa

Leadership

“Be the change you wish to see in the world.”
—Gandhi

Leadership is responsible for all aspects of an organization, so it must be the primary driver of success. A large topic, only principles relevant to OCM are addressed here:

- Leadership sets vision (direction) for the organisation, as well as communicates/sells it.
- Leadership sets the tone, example (role model); creates the culture (trickle-down effect).
- Leadership delegates authority, particularly to a change manager; and raises leaders. And,
- Leadership is not synonymous with management.

Leadership is the art of influencing others to do what they otherwise would not have done, according to the leader's vision. “In a corporation, a shared vision changes people's relationship with the company. It is no longer ‘their company’; it becomes ‘our company’.”[33]

The difference between leadership and management causes debate; Kotter defines both [18]:

<table>
<thead>
<tr>
<th>Leadership</th>
<th>Management</th>
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<tbody>
<tr>
<td>1. Establishing direction (vision) and strategy</td>
<td>1. Planning and budgeting</td>
</tr>
<tr>
<td>2. Aligning people (communicating both)</td>
<td>2. Organizing and staffing</td>
</tr>
<tr>
<td>3. Motivating and inspiring (produces change, often dramatic)</td>
<td>3. Controlling and problem solving (produces order, short-term results, predictability)</td>
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In OCM, we actually need both. This section, despite the title, also addresses management.

Before a change, leadership must set culture, establish the value of knowledge and how to increase it, perceive the need for change, model the courage to respond, etc. During a change, there are at least two aspects to leadership, both critical to success:

- Executive leadership must:
  - Own the change, anyone else is a delegate—ownership of the vision is critical
  - Be a strong, active sponsor to the change manager they select (or lead it personally)
• Change manager: a separate resource dedicated to managing the change, depending on delegation by leadership; change is essentially a project, which we know requires a PM

‘Helping managers be effective sponsors of change’ was considered the most critical success factor in some research [13, 35].

Knowledge
We are far better off when we know a lot about our work before it begins. Knowledge areas of value depend on the specific situation but there are two areas which are always critical:

• How to change; and,
• Scope of the change (what is being changed).

The second is somewhat expected, although in the case of changing ‘people’, such as project management competence, this is often blocked by arrogance and denial. The first is the real stumbling block: statistics above show a severe gap. Beneficial knowledge would include: how to select and implement structured OCM, how to develop a compelling vision, SHM, how to evaluate and shift culture, what causes resistance, what creates clarity and alignment of direction, etc. Appropriate knowledge enables every other driver of success.

Knowledge is a monster to discuss or to manage. We must be able to perceive it (or its absence), define it (requirements of a situation) and increase it (learn more or different material). It is linked to culture by ‘Catch-22’: a paradigm shift requires it but the paradigm can obstruct its increase. There are effectively three ways to increase knowledge:

• Transfer knowledge to existing staff - generally by training but also OJT, coaching, etc.; cognitive dissonance can occur with imposed training (conflict between BPs and status quo causes former to be rejected), strong vision/strategy is the answer; training comes with two qualifications: It’s only one element in the struggle; and it must have context (specific allocation of responsibility).
• Hire knowledgeable staff. Or,
• Contract to external consultants—advantages: immediate increase in knowledge/industry trends, additional resources, plausible deniability, objectivity; disadvantages: unfamiliar with culture, zero knowledge transfer, resource instability.

In all three, humility is required to get it, and to listen to it.

The ideal change vision would include a culture of continuous learning, which translates, at least partially, into a continual readiness for change. This is a powerful investment in the future.

“If you don’t train ‘em, don’t blame ‘em!”

Zig Ziglar
Supportive Culture
Organizational culture could aid, instead of hinder, change; key elements to ensure include:

- Integrity—honesty, ethics, transparency, accountability, deliberate decision-making (rigor).
- Humility—objectivity, acknowledge gaps in knowledge.
- Leadership—recognize need for change, vision setting/selling, sponsor, set the example.
- Communication—open, timely, good/bad news, standard terminology, formal procedures.
- Learning—encouraged, continuous, mistakes tolerated, ‘lessons learned’ process.
- Discipline—application of BPs, proactive, structure, due diligence, thorough RCA. And,
- Team approach—cross discipline/function, cross level, integrated, rewarded.

“The good news is that there is a discipline to teams that, if rigorously followed, can transform reluctance into team performance. The bad news is that, like all disciplines, the price of success is strict adherence and practice [16].”

Structured Approach

Key Components

- **Case for change**—establish need, criticality, cost, cost of status quo, basic feasibility.
- **Change Readiness Assessment**—before committing, evaluate willingness to change: need + motivation/urgency; strong case, compelling vision, clear strategy, committed leadership, suitable systems/culture, low resistance.
- **Vision**—where we want to end up; actual deliverable by leader: purpose/why’, some ‘how’ to be credible (use models such as capability maturity model (CMM)[5]); Kotter’s characteristics for effectivity: imaginable, desirable, feasible, focused, flexible, communicable [18]; leader must also communicate it in ways that others buy in.
  
  “Vision without action is a day dream; Action without vision is a nightmare.”
  Japanese proverb.
- **Current State**—where we are today; benchmark the status quo; challenge in objectivity.
- **Gap Analysis**—contrast between vision and current state defined as ‘gap’—the heart of BP OCM; its’ analysis defines our ‘problem’; knowledge is part of essentially all gaps.
- **Strategy/Plan**—how to close the gap, the ‘solution’; with major gap, work breaks into stages, creating interim milestones with ‘interim visions’; with major change, macro strategy/plan is expressed as architecture of micro changes (big picture composed of little pictures); with more detail, strategy evolves into plan; RCA is key in determining how to close a gap—ensures problem (effect, symptom) stays gone.
Implementation—varies: deploy, test, train, measure/adjust, lessons, reinforce, role model, message, and celebrate.

Obstacle management—throughout this list, obstacles to change must be detected and acknowledged; this gives us the opportunity to resolve or minimize them.

Organizational Models
Beyond the CMM and competency models, a more comprehensive model would be useful in defining vision, gap analysis and strategy, reflecting the entire organizational environment. A basic version might start with the three types of change that may be introduced into an organization:

- Process;
- Tools; and,
- People.

The latter can be examined as both the individual:

- Competence—a combination of knowledge and skills.
- Experience—dependent on duration, intensity, culture, willingness to learn, etc., And,
- Attitude—including motivation, pride, team orientation, values, risk tolerance, etc.

And the group:

- Organizational structure—org chart view, role/responsibility, reporting/authority/decisions. And,
- Organizational culture—discussed above.

OCM Models
Components defined above must be integrated into a coherent model of processes. ‘Defined process’ offers proven benefits such as alignment of effort, predictable outcomes (confidence), and a consistent basis for improvement. Research showed only one third of teams used a formal change model, but they had a higher ROI [35]. Structure must be applied to suit our specific situation. It’s helpful to begin with an established model and tailor it as required, or create a hybrid. Two examples (details removed for brevity):

a. Simple consulting OCM Model
   1. Awaken to a need
   2. Envision the result
   3. Identify the change
   4. Prepare the change
   5. Plan the change
   6. Implement the change
   7. Sustain the change

b. Kotter’s OCM Model [18]
   1. Establish a sense of urgency
   2. Create the guiding coalition
   3. Develop a vision and strategy
   4. Communicate the change vision
   5. Empower broad-based action
   6. Generate short-term wins
   7. Consolidate gains and produce more change
   8. Anchor new approaches in the culture
Some Notes on Models:

- Sequence: a. is simple and uses sequential life cycle phases; b. is more by priority.
- Presents communication of vision separately than creation.
- Kotter’s stages address specific challenges (eight errors listed above); he notes “models over-simplify” and offers this with “trepidation” [18]. And,
- SHM must be throughout any model, not just in ‘implementation’, e.g., communications.

The most profound concept with models is their need to be applied in different ways within the same change initiative, usually at two levels. In a large change, not only must the model first be applied at the macro level, but it is also needed at the micro level. e.g. a macro vision and gap analysis for project results, but also a micro vision and gap analysis for cost control (contributing component). Avoiding the macro view is actually resorting to a ‘silo’ approach where micro changes are made ad hoc by functional groups (high risk of conflicting changes).

“Effectively tackling all the people-related issues associated with an organizational transformation doesn’t happen by accident. It requires a comprehensive, focused, structured approach that addresses every aspect of the challenge and aligns with the overall business strategy [9].”

Formal Plan
Another terminology issue, “plan” means different things to different people:

- A ‘how-to’ manual, a collection of standard processes to get something done properly; generic document reused from situation to situation, or tailored to a specific use. And,
- More of a ‘what,’ a specific approach to solving a specific problem; completely reflective of situation at hand and continuously updated.

We actually need both, but with distinct titles: (b.) as a response to a gap analysis; and (a.) a formal OCM plan, documenting how we approach the governance of change.

“If you want to change the world, first get the words right.”
—Winston Churchill

Stakeholder Management (SHM)
“People and transformation—you can’t have one without the other.” Stakeholders are critical to achieving success, but also the leading cause of failure—they will “make or break” your change [9]. In a study of 248 companies, ‘effective change management with employees’ listed in the top three overall success factors [35].
SHM is a young discipline and still not well understood. Essentially it consists of managing expectations: discovering and delivering on them, and influencing them to align with objectives. The latter is difficult; in OCM, the misalignment amounts to resistance. Some call this influence ‘manipulation’, but it can also be a paradigm shift. If it happens across an organization, it may also be a culture change.

A stakeholder is defined as anyone who could impact, or be impacted by, the project/change.

Successful SHM in OCM is influencing people to commit to change; when does that occur?

- People change when they want to—generally, when there is perceived value or benefit. And,
- Change occurs when the cost of changing is perceived to be less than the cost of staying the same.

Thomas Kuhn introduced the term ‘paradigm shift’, evolved to mean a major change of thought-pattern. Stephen Covey and Joel Barker do a good job of explaining why it is so unlikely: paradigms are familiar and give us security; it takes courage; the terminal disease of certainty; those most successful with the paradigm are least likely to change it—paradigm paralysis, the inability or refusal to see beyond the current way of thinking [4].

“It is difficult to get a man to understand something, if his salary depends on his not understanding it.”

Upton Sinclair

Perhaps the best influence to impose in OCM is preparing stakeholders, in advance, for their change; this is undermines fear, the greatest concern. We must be mindful of: our bias —take our lenses off and look at them [8]; information/delivery resistors might accept; fear and anxiety - apply patience and compassion in providing structure/predictability; how people are identified as obstacles; morale (balance), in our zeal to influence: Al Gore, in his campaign to have us accept global warming, warns of moving people “straight from denial to despair” [11].

**Commitment to Change:** There is an evolution of personal ‘buy-in’ when confronted with change; our objective to bring everyone quickly to full commitment. Various models represent this on time-lines; basic stages are: awareness, understanding, acceptance, commitment. “This internal commitment can be difficult to achieve because it usually occurs only when individuals truly believe the changes are in their self-interest”[9].

In the context of change, culture appears in three ways: an obstacle to be identified/resolved (above), a tool to be used in changing (below), and a target for change, something to be
modified. The latter deserves brief mention here. “Define your culture, or it will define itself.”

**Culture Management:** is SHM extended to the group. Influencing a group is more complex than an individual; problems like momentum, strength are important. We must understand a culture before considering change, noting the difficulty in detecting deeper levels; this requires deliberate effort and time. We must understand that leadership drives culture, not management [27]. Momentum behind a behavior is comprised of those who support it and those who are neutral (compliant). Those who oppose it go against this collective momentum: “You’re either part of the solution, or you’re part of the problem.” A large ship, steaming at speed, will neither stop, nor turn, on a dime; it takes a lot of work, time and space. Critical mass is the tipping point, when the momentum of the ‘changed’ sways the remainder, and change carries itself.

We must remember that, in the broad view, there are two ways to change an organization:

- We can **change** the people, or
- We can change the **people**.

We also influence by bringing people into the environment: selection, orientation, sponsorship.

**Communication**
Best practices are well documented but generally not implemented. A core aspect of culture, it determines how information is passed; no-one can do their job without information. A few key principles can be indicative of effective communications: unfiltered across hierarchy levels, silo boundaries; common terminology reinforced; defined processes. While communication may be established in culture, it must still be exercised in a change—a deliberate decision to implement unique and critical aspects for successful OCM:

- Throughout the change, not only during implementation.
- Over communicate!—information in advance; immediate updates; repetition, other media.
- Comprehensive information—transparent, develop trust; cover expectations, reassurance.
- Discover barriers and resolve early—e.g., silos, paradigms.
- Solicit input—increases stakeholder engagement, commitment.
- Deliberate, strategized messaging - consistent, modeled and reinforced by leaders.
- And,
- Formal plan—communications strategy, reflect stakeholder information and media needs.
Sense of Urgency
There must be an acknowledged criticality, not open to debate or postponement. Urgency means ‘pressing importance’ which must be deliberately created; not synonymous with frenetic activity. Some believe the priority of change must exceed the regular business, as it competes for attention. Urgency is emotional; motivation must reach hearts, not just heads. Younger organizations, competing in faster markets are better at maintaining permanent urgency [22].

We’ve covered a lot of ground in a brief paper. We have acknowledged:

- Change is increasing in importance and regularity, but fails most of the time.
- The main reasons/causes for failure all relate to people.
- Causes specific to a desired change include:
  - Complacency;
  - Confusion; and,
  - Resistance (due mainly to fear) which are driven by root causes, present before a change is initiated:
- Leadership (the ultimate cause, at the root of all others).
- Knowledge.
- Culture (Knowledge and culture exacerbate each other).
- Organizational change management (OCM) is based in science, has an established body of knowledge, comprises best practices.
- The most significant levers we have to drive successful change, when taken seriously, are:
  - Leadership (ownership, sponsorship, and a change manager);
  - Knowledge;
  - A supportive culture;
  - A structured approach (built around gap analysis in a model, and a formal plan)
    Most influential deliverables are readiness assessment and vision;
  - Stakeholder management (SHM);
  - Communication;
  - Sense of urgency; and,
  - Rigorous obstacle management.
- Change is a project, and deserves dedicated management, a change manager.
- The power of models: OCM (applied at multiple levels), maturity, competence, organizational environment, and organizational culture. And,
- We will soon be faced with a new issue: continuous change.

Successful change doesn’t happen by chance. Change can be successful if planned and handled with a systematic, rigorous and disciplined approach. It works if we’re serious about it.

“The future? The thing that got us here will not get us there.”
—Peter F. Drucker
Examples Completed
Although there are tough messages to accept here, we don’t have to look too far for examples of success:

Mothers Against Drunk Driving (MADD) has almost single-handedly made ‘drinking and driving’ socially unacceptable, ie. changed our society’s culture, in less than 30 years. In 2007, there was a 3.7 percent decline in alcohol-related traffic fatalities from 2006, but a decline of 46 percent since its founding in 1980, saving 358,000 lives. To do so, the volunteer organization was very creative in tackling long-entrenched views [36]:

- Monitor and publicise government accountability; Publicize offenders.
- Pressure insurance industry for discounts; alcohol industry for advertising. And,
- Partner in school programs—run poster contests, etc.; realization required: it is easier to ‘change’ an attitude before it becomes a problem, i.e., when drivers are still children.

The most publicized examples of tough culture changes are often in sports and military environments; many are movies, some true stories. One is ‘Patton’, a story of an officer’s controversial methods; it begins with strong leadership called upon to change an ineffective tank unit, with poor discipline and morale [30].

“What America needed was a miracle. What it got was a hockey game.” Another example is the movie ‘Miracle,’ about the US hockey team, under the strong leadership of coach Herb Brooks, which won the gold medal in the 1980 Olympics. Victory over the ‘invincible’ Soviets was dubbed the ‘Miracle on Ice’. Brooks took a ragtag squad of college kids, all stars from different teams with conflicting cultures and grudges, retrained them in a very physical style, and raised conditioning to an extreme level. The value lies in realizing what was required to reach success in a short period. Brooks acknowledged the challenge in his strong vision, then used every lever he could devise to force a paradigm shift; his tactics were not appreciated. When an exhibition game was not taken seriously, they were dismissed only after perceiving themselves a team [29].

Examples in Process
Other cultural changes remain in process. Barack Obama’s 2008 presidential campaign was the best example in recent times of visionary leadership and communication, based on root cause analysis. Obama raised hope all over the world by tackling perceptions of:

- Government—“it’s not whether government is too big or too small, does it work?”
- Foreign affairs—“qualities of humility and restraint”, “we will extend a hand, if they are willing to first unclench the fist”, “the world has changed, we must change with it”
- Politicians—end culture wars (red vs. blue), deliver unification; change the culture in DC
The US President became known as the great change America needed. However, comedian Jon Stewart questioned our perception, dubbing the inauguration “Changefest 2009,” showing clips of Obama and his predecessor as direct parallels. Media issued the same warnings: ‘Patience will only last so long. Many new voters firmly believe he will change their world.’ ‘They have to manage expectations: can they all have a job by year’s end?’ One of the crowd got it: he was interviewed, “I realized today he can’t do it alone, he needs me to buy in, he needs you to buy in, he needs everyone to buy in.”

Another current challenge is global warming: a valid issue? created by man? solvable by man? Gore’s documentary ‘An Inconvenient Truth’ shows in-depth knowledge of OCM best practices. Western culture is analyzed with a mix of anecdotes, video and statistics: short term gratification, greed, denial of consequences. He uses his own family’s paradigms(shifts as examples: grew tobacco; wife smoked and died of cancer; stopped the family business when seen as wrong. The movement is trying to change paradigms, avoiding panic but causing serious discussion and action.

Next Steps

“We cannot become what we need, by remaining what we are.”
—Max DePree

What should we do next? Considering what’s safe, and inside our circle of influence, perhaps:

- Examine our own paradigms; in many ways, the first step to changing our organization; Read: ‘Who Moved My Cheese?’ Are our running shoes around our necks?
- “Progress is impossible without change; and those who cannot change their minds cannot change anything.” George Bernard Shaw
- Increase our knowledge, in topic areas such as:
  - Organizational change management, organizational culture; and related skill-sets such as stakeholder management, facilitation, and conflict resolution. And,
  - Project management, or any specific area relating to your role, sector, and organization.
- “Change must happen within you before it can happen around you—any change that occurs in the world always begins first with change within an individual.”
- Encourage a culture of ‘continuous learning’, a precursor to continuous change.
- “We are what we repeatedly do. Excellence, then, is not an act, but a habit.”
  Aristotle
- Begin a private, preliminary change readiness assessment, our own analysis of the organization’s willingness to change (be objective about leadership, obstacles); as well as a stakeholder analysis, and a (potential) sponsorship map.

In other words, prepare to be a local champion of agent of change.
There is obviously a desperate need developing in industry—could AACE International help, or actually lead in some sectors? For example, deploying knowledge, increasing competence in its application [1].

This paper covers only briefly, a very large topic that continues to grow; the author is passionate about helping others execute better projects and, therefore, about change. All input is welcome as to which areas would be of most use to pursue further, perhaps for future papers. Anyone with similar interest is invited to collaborate on the challenge. [phil.gardner@pretium.ca]

“Pain is inevitable; suffering is optional.” Hermann Witte

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