Building in Change Capability for Improved Program Performance

1. Change Capability

Projects and programs, both large and small, always invoke change within organizations. Yet, few adequately address the inherent organizational conditions that work against program success. According to a recent study by the IT industry research firm, Forrester,1 "the perception and reality of project failure has multiple causes." Many of these causes reside outside the program management office, such as:

- Unresponsive governance
- Meaningless metrics
- Insufficient change capability.

Change capability is an organization's ability to apply scalable and repeatable methods to foster change adoption and deliver intended results. In our experience, programs that fail to complement their program management disciplines with change capability experience increased risk, slower adoption of new business processes and technologies, elevated program costs, and compromised outcomes. On average, programs with an effective change capability integrated into the program management method are 71 percent more likely to meet or exceed program objectives, and 55 percent more likely to meet or exceed the program schedule.2 Conversely, programs with poor change capability are only 17 percent likely to meet or exceed program objectives and schedule. A McKinsey study of 40 projects compared expected and actual returns on investment to change capability and determined there is a direct correlation between the two—programs with above average change capability realized 143 percent of expected value while programs with below average capability realized just 35 percent of expected value.

In today's complex and excessively scrutinized organizations, change capability is more than a nicety. It is an essential insurance policy designed to protect the organization's investment and foster an environment in which the program is delivering its intended results. As described above, many programs fail unnecessarily, but not because of poor program management. They fail because the organization neglects to make the

change capability investment that is critical to program success.

2. There is a Reason Change is Difficult

There's a commonly used adage that people naturally resist change, or that people don't like to change. The reality is there are plenty of people that are open to change, want to see change happen for the better, and can get excited about positive change. About half of any given organization's workforce falls into this category while only about 15 percent of the workforce actively resists change. If that's the case, why is change so difficult?

It's simple really. Change is difficult because organizations are made up of individuals. For organizations to invoke change and institutionalize the new processes or systems brought about by their initiatives, the organization needs to help every individual make the change. This is where it gets hard.

There are multiple models and theories available that describe how individuals adapt to change. One model—ADKAR4—describes the process individuals go through. When used effectively, this model can also serve as a roadmap for program sponsors and managers to help employees deal with change. The AD-KAR model defines five goals that must be achieved for an intended change to be successful:

- Awareness—of the need for change
- Desire—to support the change
- Knowledge—on how to change
- Ability—to implement new skills
- Reinforcement—to sustain the change.

The ADKAR model says this: before individuals can support a change (desire), they must understand the reason behind the change, why the change matters to the organization and themselves as individuals, and what the risks are if the organization does not make the change (awareness). Once individuals decide to support the change they then need to know how to change (knowledge) and to be provided with the skills to be effective within the new environment

(ability). Finally, when individuals exhibit behaviors desired in the new environment, they need to know what they're doing is right (reinforcement).

What makes this challenging for organizations is that individuals—depending on their own perspectives, personalities, and the information available to them— will go through the change process at a different pace. For example, the innovators and early adopters may need only a minimal awareness to support their buy-in to change, but could be slower in developing the necessary knowledge and ability to do so. Others may need far more awareness up front, but once on board, they immediately begin to implement and need little reinforcement. Programs with effective change capability recognize this challenge, plan for it, and manage it intently.

3. Four Things You Must Do to Establish Change Capability

It's easy for the change component of a program to become large, unwieldy, and expensive very quickly. Recognizing that change is an important part of a larger program rather than an initiative unto itself, our research and experience suggest four critical "must-dos" essential to building an effective change capability foundation:

- Mobilize your sponsor team
- Adopt a standardized change approach
- Involve stakeholders
- Get smart about communication.

Mobilize Your Sponsor Team

The leadership or sponsor level is where change initiatives often—but don't need to—fail. Whether the initiative is large or small, the sponsors need to be actively engaged and visible. Organize your sponsor team and determine how they'll operate. Ensure all sponsors have a common vision for the change. If they don't have a common vision, you should spend time creating one as little else will derail the program sooner. Assess the sponsors' leadership styles and power distribution, and prepare them to lead the change through essential training or coaching. Finally, develop personalized roadmaps that leverage their skills and impact their audiences.

Adopt a Change Management Approach

Constant change characterizes the world we live in, so determine how you'll manage change in both your strategic initiatives and continuing operations. Document your change management approach and make it widely available to those who need to understand it or perform to it. Assign responsibility to a qualified, dedicated change leader and provide this individual with access to change management tools and resources such as impact assessments, readiness assessments, and roadmap templates. Last, align your change management plans with project plans— make sure activities that foster change adoption are integrated into your work breakdown schedule and timeline.

Involve Stakeholders

When people who have a stake in a change are excluded from the process, they tend to remind us how important they are. Usually we're reminded when those individuals consciously or subconsciously begin obstructing progress. This can effectively be avoided by involving stakeholders in the change initiative. Cross functional teams or communities of interest are a great way to give stakeholders a voice, open the lines of communication, and gather important feedback on the process. Innovators and early adopters are ideal stakeholders to get involved by serving as change ambassadors. Other critical stakeholders are the middle managers. They wear two hats—manager and employee—and are crucial to making change stick. Recognize their unique needs early and design special tactics to build awareness and desire from the beginning.

Get Smart about Communication

It should come as no surprise that communication is key. But just any communication is not enough—it may not necessarily further the cause and could possibly hinder it. To build awareness and desire, the communication should provide a visceral (emotional) experience and deliver information that individuals genuinely need.

Forget the "communicate three times" rule and strive for five to seven. Email is the least effective means and live messages from one's direct supervisor are most effective, which is another reason to engage middle managers early in the process. Important topics to cover include change drivers, successes, accomplishments, and progress. And remember that communication is a two-way street—build in opportunities for stakeholders to provide feedback and be sure to respond promptly and appropriately to resistance.

4. Change Capability Protects Your Investment

Today's complex operating environments need focused efforts beyond traditional program management disciplines to drive successful initiatives. While many programs miss their mark or fail to deliver needed results, building in a change capability can be the insurance policy necessary to meet or exceed expectations. Starting off with the four "must-dos" will help establish a solid foundation on which true change capability can be built.

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