Course:

Government Process Re-engineering

Day 3

Session 5: Change Management for Implementation of GPR
Key drivers for Organisational Change

- Economic
- Political & Legal
- Technological
- Socio-cultural
- Competition

Many of the external environment changes impact org. processes

Organisation Processes

Strategy / Operating Model

Organisation Results & Performance

Internal Environment
e-Governance: Fundamental change from traditional ways of working...

<table>
<thead>
<tr>
<th>Factors</th>
<th>Traditional Ways</th>
<th>New Ways</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mode of services</td>
<td>Service for citizens</td>
<td>Self service in many operations</td>
</tr>
<tr>
<td>Goal</td>
<td>Citizens in line</td>
<td>Citizens on line</td>
</tr>
<tr>
<td>Expectation</td>
<td>Digital exclusion</td>
<td>Digital participation</td>
</tr>
<tr>
<td>Change</td>
<td>Paper intensive work</td>
<td>Government on line</td>
</tr>
<tr>
<td>Management Style</td>
<td>Transaction Intensive</td>
<td>Knowledge Management</td>
</tr>
<tr>
<td>Orientation</td>
<td>Production cost, efficiency</td>
<td>User satisfaction &amp; control, flexibility</td>
</tr>
<tr>
<td>Leadership style</td>
<td>Command and Control</td>
<td>Flexible, inter-departmental teamwork,</td>
</tr>
<tr>
<td>Organizational structure</td>
<td>Top down, hierarchical</td>
<td>Innovative entrepreneurship, multidirectional,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>network with central coordination, direct</td>
</tr>
<tr>
<td></td>
<td></td>
<td>communication</td>
</tr>
<tr>
<td>Communication</td>
<td>Centralized, formal limited channels</td>
<td>Formal and informal, direct and fast feedback,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>multiple channels</td>
</tr>
<tr>
<td>Interaction</td>
<td>Documentary mode and interpersonal</td>
<td>Electronic exchange, non face-to-face</td>
</tr>
<tr>
<td></td>
<td>interaction</td>
<td>interaction</td>
</tr>
<tr>
<td>Process organization</td>
<td>Functional rationality, vertical</td>
<td>Horizontal hierarchy, network organization,</td>
</tr>
<tr>
<td></td>
<td>hierarchy of control</td>
<td>information sharing</td>
</tr>
</tbody>
</table>
Almost 92% of the challenges in a transformation exercise are around people issues.

### People
- **Leadership** 42%
  - Lack of Participation, Ineffective Communication
  - Lack of ownership
  - Limited endorsement / support
  - Poor planning & Control

- **Organizational & Cultural Issues** 27%
  - Lack of involvement
  - Lack of Readiness
  - Lack of understanding
  - Lack of strategic alignment
  - Fear of Job loss/Change
  - Inadequate Skill development/Training / Lack of resources
  - Unclear Roles and Responsibilities
  - Lack of user buy-in

- **User Issues** 23%
  - Weak / inadequate processes
  - Poor process alignment
  - Faulty data

### Process
- **Process Issues** 4%
  - Faulty data
  - Integration Issues
  - Configuration Issues
  - Over complex technology

### Technology
- **Technology Issues** 4%

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Source: Organization Dynamics, Jim Markowsky

This also means that even though process issues are sorted out people issues may still remain!!
People and Organisational Change

• Organisations don’t adapt to change, People do.

• Human behaviour is complex

• Change initiatives face varying levels of resistance and questioning of motive of change

• People resist change only when they feel that change is being imposed on them, without their consent

• Costs of ignoring behavioural risk could be significant in the current economic context

Source: Human Change Management: Herding Cats by Mark J Dawson and Mark Jones

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People related challenges in GPR / Transformation projects

- People related challenges relate to three important aspects:
  - Mindset (Culture)
  - Communication and Awareness (Internal and External stakeholders)
  - Skill-sets (Human capital development and life-long learning)

75% of all organizational change programs fail, largely because employees feel left out of the process and end up lacking the motivation, skills and knowledge to adopt new systems and procedures

Source: Human Change Management: Herding Cats by Mark J. Dawson and Mark Jones
Barriers related to People

- Top 10 barriers

<table>
<thead>
<tr>
<th>Barriers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competing resources</td>
<td>48%</td>
</tr>
<tr>
<td>Functional boundaries</td>
<td>44%</td>
</tr>
<tr>
<td>Change skills</td>
<td>43%</td>
</tr>
<tr>
<td>Middle management</td>
<td>38%</td>
</tr>
<tr>
<td>Long IT lead times</td>
<td>35%</td>
</tr>
<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>
</tr>
<tr>
<td>Unrealistic timetables</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: PwC Mori Survey 1997

The mentioned survey findings indicate that most of the barriers relate to people.
Barriers related to People

- **Individual**

- **Habit**: Deep rooted ways of doing things and working in the government

- **Security**: Loss of feeling safe. Underlying Security & Suspicion

- **Economic factors**: Doubts around performance, productivity and pay issues. Lack of confidence in using the re-engineered processes

- **Fear of unknown**: What will happen next? In the re-engineered scenario will I lose my powers?

- **Organisational**

  - **Structural Inertia**: Resistance to new processes and to move out of comfort zones

  - **Lack of common vision**: There is no common understanding of the vision for change

  - **Group Inertia**: Change in individual behaviors at times inhibited by the way the group works

  - **Threat to expertise**: New processes may be observed as a threat to the expertise of a specialized group.

  - **Threat to established power relationships**: Perception of loss of power, authority and discretion. e-Gov perceived as infringement to “turf areas”

*Management of change issues and people perceptions becomes imperative in disruptive changes like GPR*
Need for People Change Management

• Normally, decisions are made by the management without taking inputs from staff who are expected to change their behaviour

• People are willing to change if they:
  • Understand and accept the reasons
  • Have a say in the way their jobs get restructured / affected

• Behavioral change is most likely to occur when organizations connect with human nature rather than oppose it

Source: Human Change Management: Herding Cats by Mark J Dawson and Mark Jones
Essential elements of ‘People’ Change Management

Stakeholder Management
- Make sure all stakeholders are identified, relationships are managed; stakeholders get information about progress, programme needs, and benefits tracking, their feedback is received and incorporated in the programme.

Communication
- Provide planned communication throughout the organization and execute this along effective means and channels. Make sure that communication reaches the target audience in time and provides just enough information for that audience so that they are informed on and excited about the change and effectively implement it.

Training
- Provide training materials, trainers and logistics; ensure the target audiences are trained in the new ways of working (including data, processes, systems/tools and governance) just in time and just enough.
Success factors related to People in Large Projects

- Top 10 success factors

<table>
<thead>
<tr>
<th>Success Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political backing/ leadership support</td>
<td>82%</td>
</tr>
<tr>
<td>Treating people fairly</td>
<td>82%</td>
</tr>
<tr>
<td>Involving employees</td>
<td>75%</td>
</tr>
<tr>
<td>Giving quality communications</td>
<td>70%</td>
</tr>
<tr>
<td>Providing sufficient training</td>
<td>68%</td>
</tr>
<tr>
<td>Using clear performance measures</td>
<td>65%</td>
</tr>
<tr>
<td>Building teams after change</td>
<td>62%</td>
</tr>
<tr>
<td>Focusing on culture/skill changes</td>
<td>62%</td>
</tr>
<tr>
<td>Rewarding success</td>
<td>60%</td>
</tr>
<tr>
<td>Using internal champions</td>
<td>60%</td>
</tr>
</tbody>
</table>

Source: PwC Mori Survey 1997

The mentioned survey findings indicate that most of the success factors as well relate to PEOPLE, hence the need to manage them.
Key lessons learned

– Commitment from top leadership (both political and bureaucratic)
– Dedicated and skilled change leaders
– Buy-in at the conceptual stage
– Big personal investment and daily involvement of leaders and team members
– The right project manager and the best possible team – not just technical expert
– Presence of team members/change agent role in the business
– Tangible returns
– Sensitive courage to deal with the people issues
– Used a range of levers for change
– Hard changes implemented quickly and well
Possible outcomes of Managing People Change effectively..

Change Management and capacity building is performed in the context of driving sustainable benefits and long-term impact.

**Change Enablement**
- Knowledge and Skill Development

**Program Management**
- Workforce Effectiveness

- More Effective Communication, Leadership and Management
- Increased Productivity and Self-Sufficiency
- Cultural Transformation within department
- Stakeholder Awareness
- Satisfied Workforce and Employee morale
- Knowledge Management
- Initiative Goals Aligned with organization's Strategic Goals
- Enhanced Employee Job Profiles and Accountability
- Improved Departmental Reputation and Positioning
- Organizational Process Excellence
Successful outcomes are driven by timely and proactive change management

‘An ounce of prevention is worth a pound of cure’

Change Curve:

- With effective and proactive Change Management
- Managed Expectations
- Realisation of Effort and Complexity
- Disillusionment
- Without Change Management

ODR, Essentials of Change Management, 1999
Approach for managing ‘People’ change in e-Governance projects

Overall Change Management Framework

**Phase I: Establishing Foundation for Change**
- Assess the environment, scale and scope for change
- Define the Change Management Plan
- Identify Key Stakeholders
- Change Readiness Assessment – Need & Impact
- Identify the enablers and disablers to change

**Phase II: Managing Change**
- Stakeholder Assessment & Engagement Plan
- Build the Change Management Team
- Conduct Training Needs Analysis
- Develop Training Plan

**Phase III: Sustaining Change**
- Define performance metrics
- Documentation, Monitoring and Evaluation
- Corrective Action Plans

Development and Implementation of Communication Strategy

Capacity and Skill Building

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Overall Change Management Framework

Phase I: Establishing Foundation for Change

Activities

- Assessing the Scale of change in terms of number of affected entities, users, geographical spread, etc.
- Assessing the scope in terms of policy, process, system and structure
- Assessing the existing environment to understand ‘Change Readiness’ and ‘Culture’ Assessments
- Preparing a Change Management Plan
- Identifying the key stakeholders, in terms of people impacted and those capable of influencing the outcomes of the change initiatives
- Identifying the key enablers and disablers of Change
Approach for managing ‘People’ change in e-Governance projects

Overall Change Management Framework

Phase II: Managing Change

Activities

• Assessing the stakeholders for understanding their power, influence, impact and support in the project

• Mapping of various stakeholders and stakeholder groups

• Building the Change Management Team to make change ‘happen’

• Defining the roles and responsibilities of the members of the Change Team

• Conducting Training Needs Analysis to understand the training objectives

• Prepare the Training Plan for addressing the training needs
Overall Change Management Framework

Phase III: Sustaining Change

Activities

- Identifying the performance metrics for measuring the success of ‘Change’ and cascading the same to the stakeholders
- Monitoring and evaluating the metrics to measure the change outcome and incorporate necessary modifications
- Developing a repository / knowledgebase for documentation of the ‘Change’
Approach for managing ‘People’ change in e-Governance projects

Stakeholder Management, Communication and Capability Building (Training) cut across the different phases of the Change Management Framework, which clearly indicates the importance of these activities in the overall Change management initiative.
Guiding principles for Change Management

- Formulate Change Vision
- Assess Environment
- Leadership Engagement
- Stakeholder Engagement
- Communication Strategy & Plan
- Capacity Building
- Monitoring & Evaluation
Guiding Principle 1: Formulate Change Vision

- Creating a compelling vision for change is key to implementation of any Change Management initiative.
- Vision acts as a bridge between the current state and the desired future state.
- Vision should be defined and articulated at the onset of a Change Management initiative.
Supporting principles for each stage of Change Planning

Guiding Principle 2: Assess Environment for Change

– Assess the environmental variables influencing the change process viz. legal, political, social
– Assess government’s / department’s history, readiness and capacity to change
– This Assessment should be carried out in the initial stages of planning, as it will help in identifying risks and developing a plan to mitigate them.
Supporting principles for each stage of Change Planning

Guiding Principle 3: Leadership Engagement

- Leadership needs to create, drive and support the change agenda.
- Leaders must understand the dynamics of change management and need to apply the principles that make change effective.
- Leadership engagement to visibly lead the change, set the tone for change, and reinforce the government’s commitment to the interventions must be outlined at the planning stage.
Supporting principles for each stage of Change Planning

Guiding Principle 4: Stakeholder Engagement

- Identify and engage the key stakeholders at the beginning to minimize the resistance from change and create buy-ins
- Engage and collaborate with stakeholders affected by the change as much as possible
A targeted approach to developing a communication strategy is important in e-Governance projects. Communication strategy should be developed during the Planning phase of change and needs to be revisited and refined throughout the change cycle. Communication needs to be assessed by looking at the why, what, how, and when of communicating. Change programme should aim at creating awareness, and gaining support, involvement and commitment.
Supporting principles for each stage of Change Planning

Guiding Principle 6: Capacity Building

- Training of the personnel at all levels is imperative to build capacity and sustain change in e-Governance projects.
- Identifying key skills required to drive and implement the change initiative must begin at the planning stage.
- The training plan must be charted out for identified groups and targeted training must be conducted.
- Few leadership training might be required at the onset to equip the leaders with the necessary skills to drive the change.
Supporting principles for each stage of Change Planning

Guiding Principle 7: Monitoring and Evaluation

– Define metrics/system to measure progress of the change initiative – how far have we got, how far do we still need to go?

– Monitoring techniques need to be designed by the project team and cascaded to the key stakeholders.
Conclusion: Approach to address people related challenges in Change Management

- Some steps for managing people related challenges:

  - Change needs to be explained to people as early as possible

  - Obtaining people's involvement in validating and refining the changes is crucial

  - Participation, involvement and open, early, full communication are the important factors.

  - Workshops are useful processes to develop collective understanding, approaches, policies, methods, systems, ideas, etc.

  - Staff surveys are a helpful way to repair damage and mistrust among staff, if carried out anonymously, and the results published and acted upon

  - Management training, empathy and facilitative capability are priority areas
End of Session