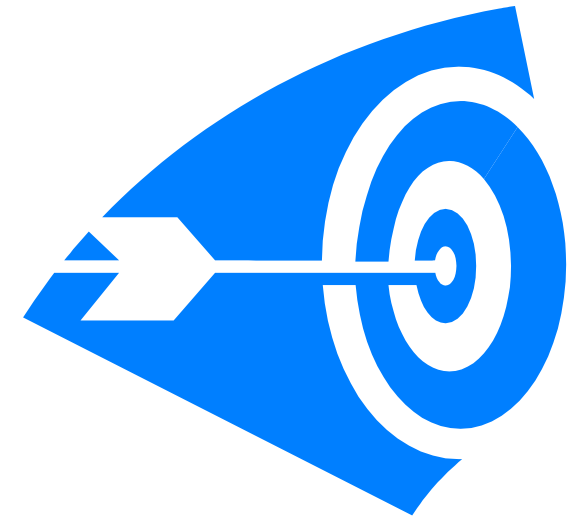


Course: e-Governance Project Lifecycle

Day 3: Session 3

Change Management in e-Governance Projects

Agenda



- Introduction to organizational change
- Key factors leading to change in Government
- People centric barriers in implementation of change programmes
- Key people/HR related challenges in e-Governance implementation and need for a change management strategy
- Benefits of Effective People Change Management

We all experience change in various facets of our lives.

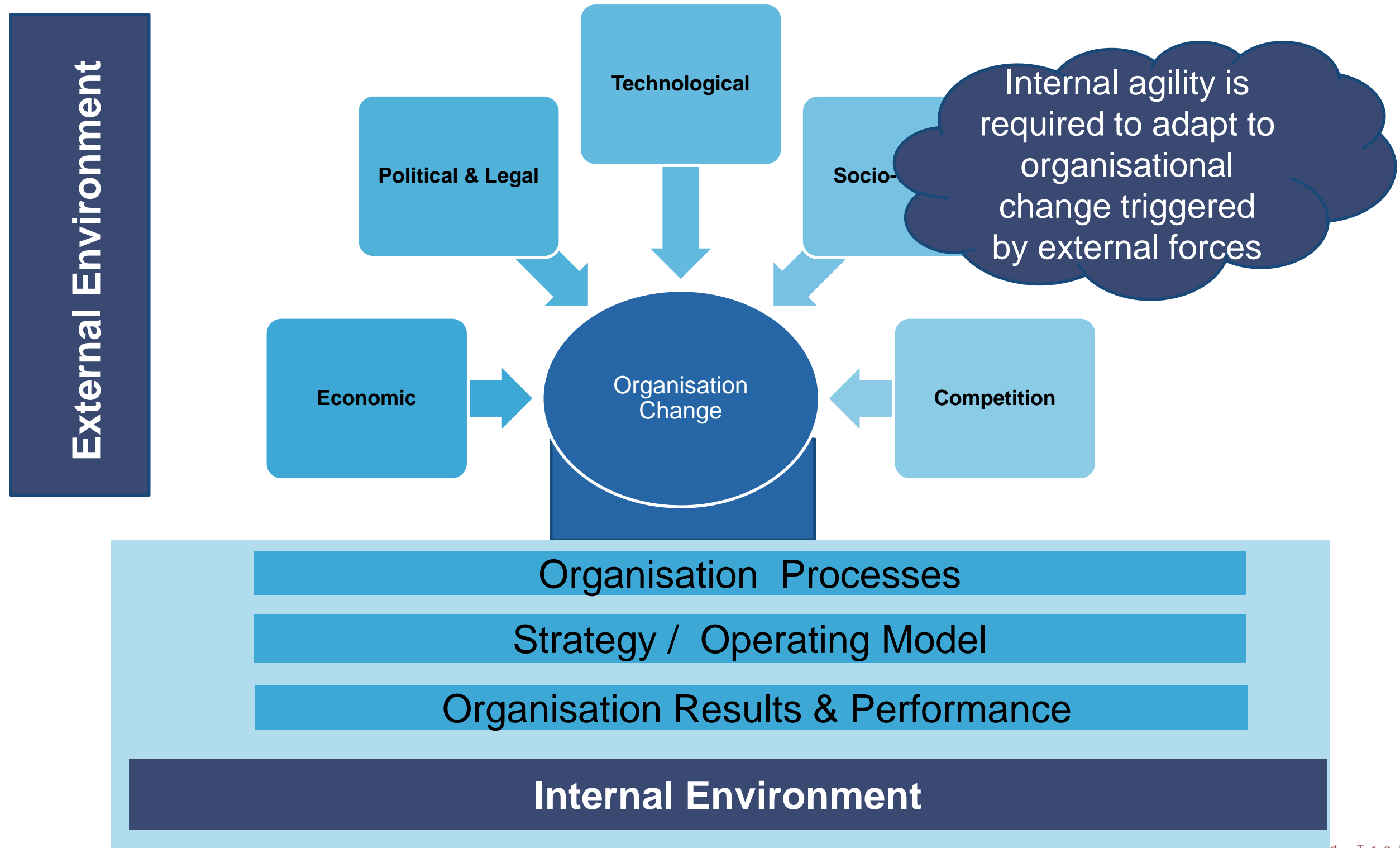
Change is the only Constant!

Definitions: What is Organisational Change?

Organizational change is about bringing in a fundamental and radical re-orientation in the way the organisation operates.

Organizational change: The process by which organizations move from their present state to some desired future state to increase their effectiveness

Key drivers for Organisational Change



Example: External Environment triggering Regulatory reforms in India

Late 1980s

- Eased restrictions on capacity expansion for incumbents, removed price controls and reduced corporate taxes
- On one hand there were increased growth rates, while on the other there were high fiscal deficits and a worsening current account
- Collapse of Soviet Union (India's major trading partner) and the first Gulf War (which caused a spike in oil prices) caused a major balance-of-payments crisis for India

The rapid changes in the external environment led to major economic reforms in India in 1991

Example: External Environment triggering Regulatory reforms in India

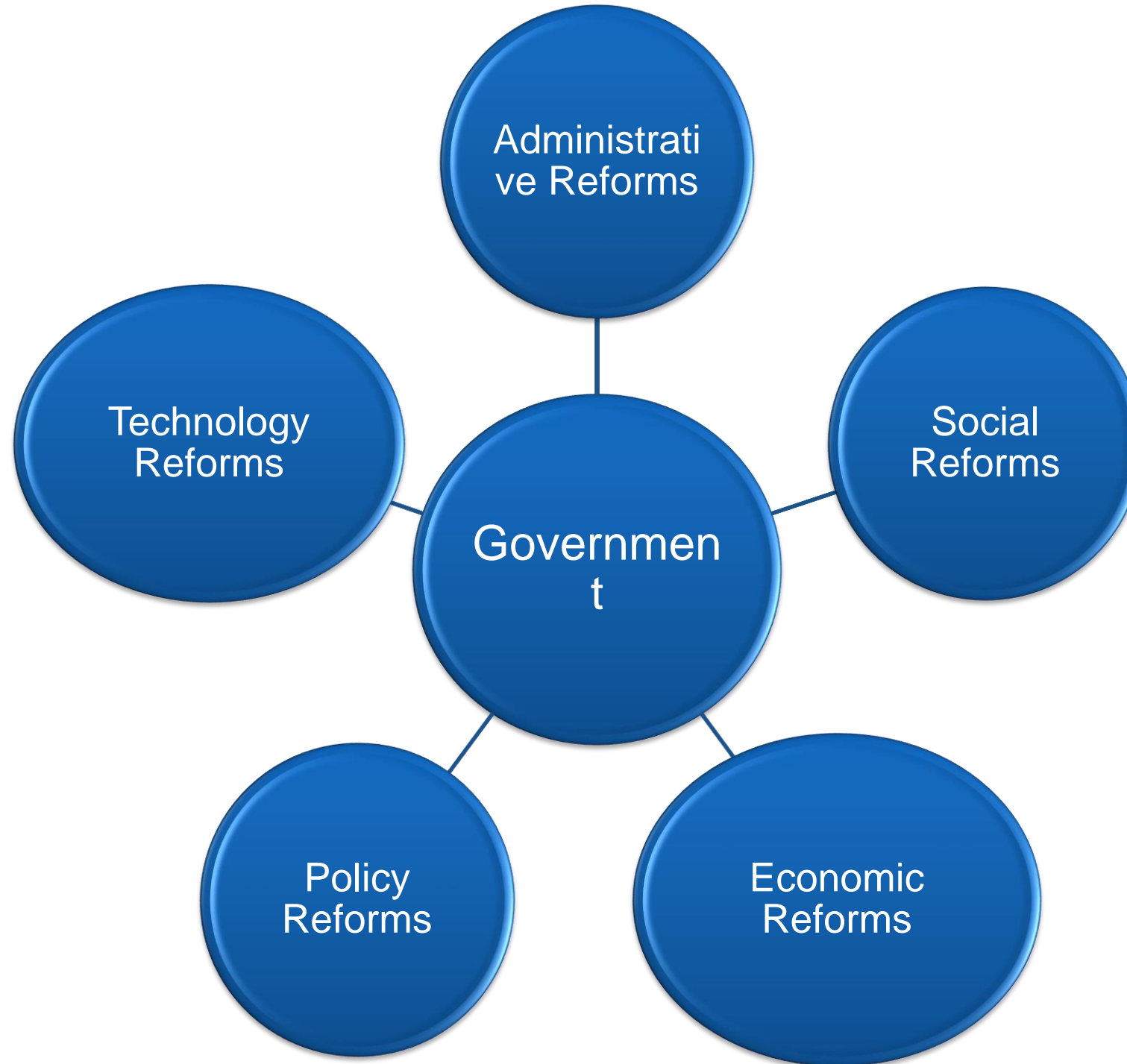
Post 1991

- Reforms did away with License Raj (investment, industrial and import licensing) and ended many public monopolies, allowing automatic approval of foreign direct investment in many sectors
- Since 1991, continuing economic liberalisation has moved the economy towards a market-based system
- Markets opened for international competition and investment, in the 1990s
- Revival of economic reforms and better economic policy in 2000s accelerated India's economic growth rate
- By 2008, India had established itself as the world's second-fastest growing major economy
- In the 21st century, India is an emerging economic power with vast human and natural resources, and a huge knowledge base

Source: <http://en.wikipedia.org>

Government and Kind of Changes (cont'd)

Change in Government is brought in through various reforms



e-Government Projects & Change



What makes e-Governance projects complex?

Inherent difficulties

- Long implementation cycle
- Benefits accrue in the end whereas effort required upfront

Stakeholder ownership and involvement

- Who are the drivers: Government departments, ICT authority, Vendor
- Degree of support from Top management for investment and involvement in implementation

Design issues

- Clarity of goals and policies on process reform
- Process consistency and transparency versus flexibility
- Integrating with legacy systems

Change Management

- Extent of process reform
- Apprehension and Resistance to Change
- Varying IT readiness among end-users

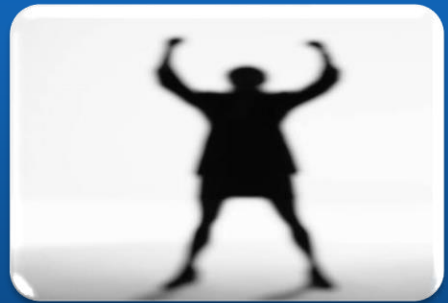
e-Governance: Fundamental change from traditional ways of working...

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

Levers of change in Transformation Projects including e-Governance

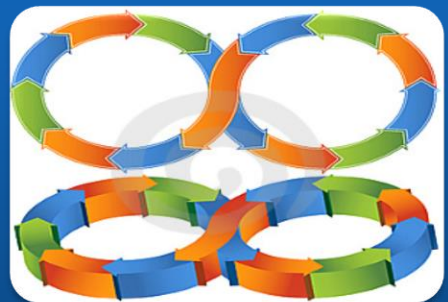
There are three key levers of Change in Government reforms and initiatives

Change Levers



People

- Change in attitude and behaviours to accept the change, New skills sets required to assimilate the new ways of working, application of traditional skills more effectively and a more flexible approach to working patterns and practices.



Process

- Change in structure and processes to adopt to the new ways of working, business process design.



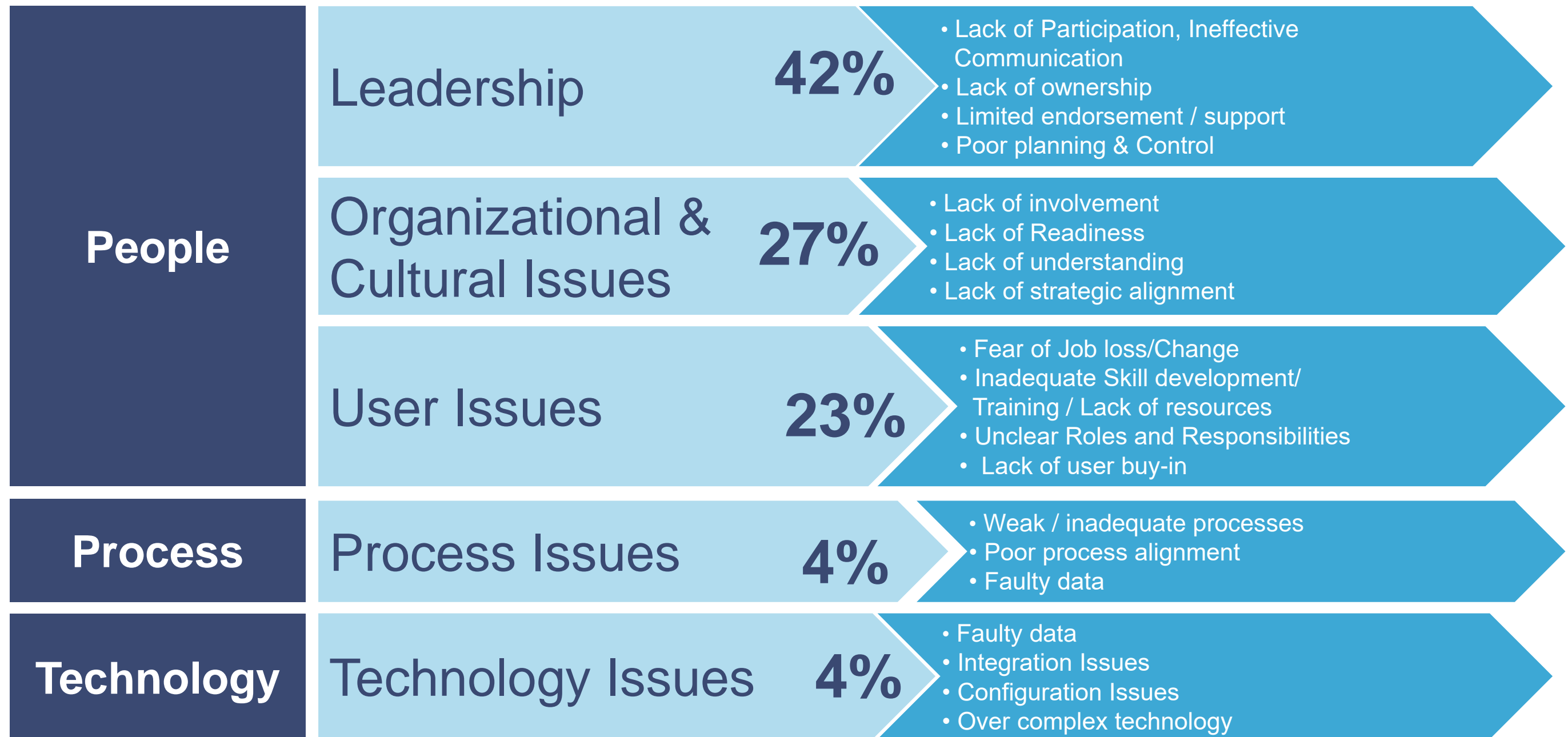
Technology

- Application of Information and Communication Technologies to improve the service delivery to citizens, business and Government employees.



Challenges in Transformation Projects including e-Governance

Almost 92 % of the challenges in a transformation exercise are around people issues



Source: Organization Dynamics, Jim Markowsky

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

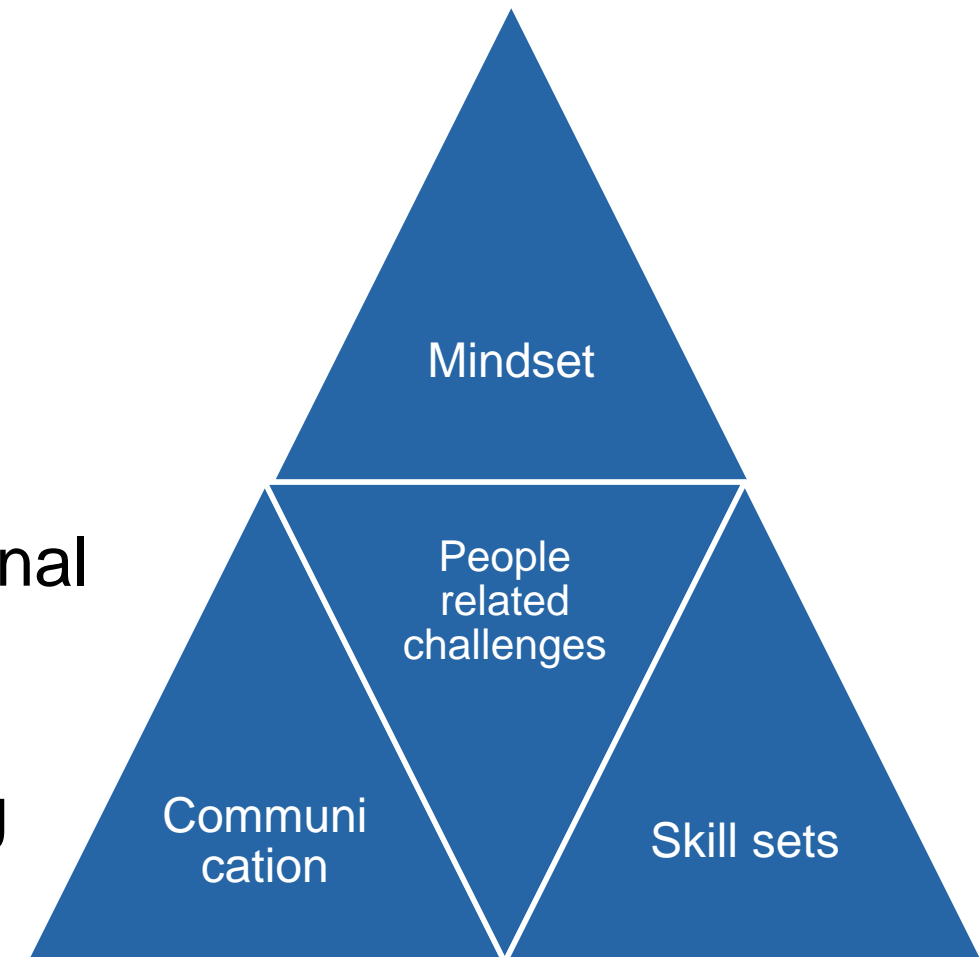


Source: Human Change Management : Herding Cats by Mark J Dawson and Mark Jones

People related challenges in 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

Competing resources	48%
Functional boundaries	44%
Change skills	43%
Middle management	38%
Long IT lead times	35%
Communication	35%
Employee opposition	33%
HR (people/training) issues	33%
Initiative fatigue	32%
Unrealistic timetables	31%

Source: PwC Mori Survey 1997

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 IT systems

Fear of unknown: What will happen next? Will ICT implementation lead to my job becoming redundant?

Organisational

Structural Inertia: Rigid processes and systems

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: The implementation of ICT 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 of “turf areas”

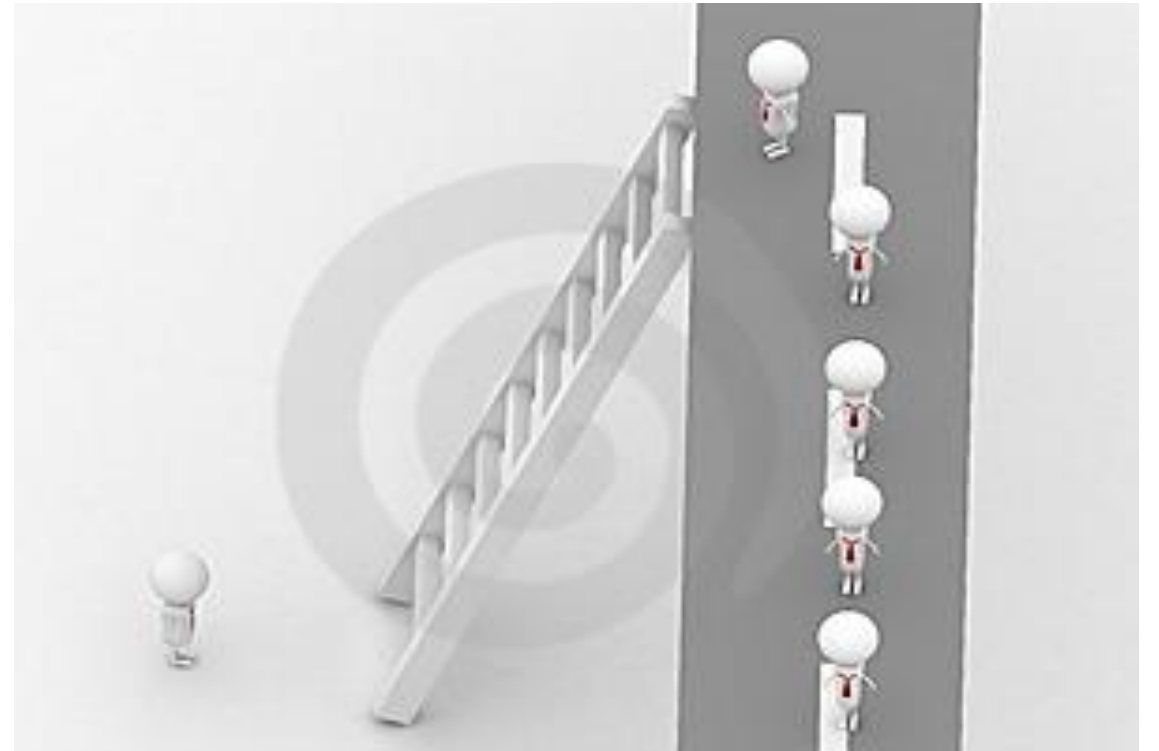
Management of change issues and people perceptions becomes imperative in e-Governance projects.

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

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 and timely communication throughout the organization and execute this along effective means and channels. Excite the target audience by effectively implementing change

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

Line manager sponsorship	82%
Treating people fairly	82%
Involving employees	75%
Giving quality communications	70%
Providing sufficient training	68%
Using clear performance measures	65%
Building teams after change	62%
Focusing on culture/skill changes	62%
Rewarding success	60%
Using internal champions	60%

Source: PwC Mori Survey 1997

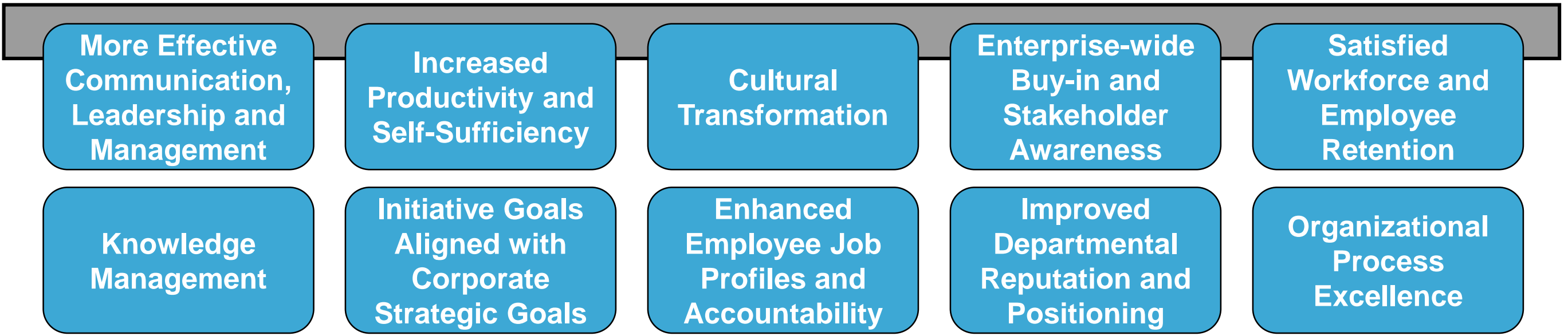
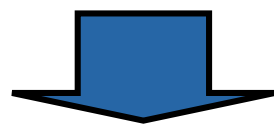
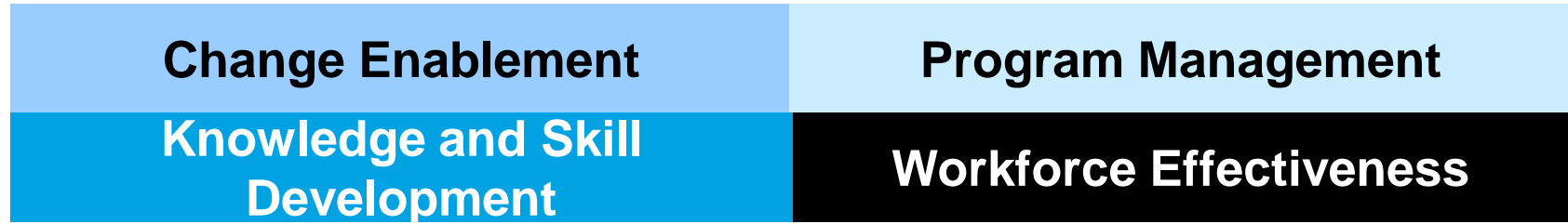
The mentioned survey findings indicate that most of the success factors as well relate to PEOPLE, hence the need to manage them

Key lessons learned

- Top level sponsorship and commitment to see change through
- 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..

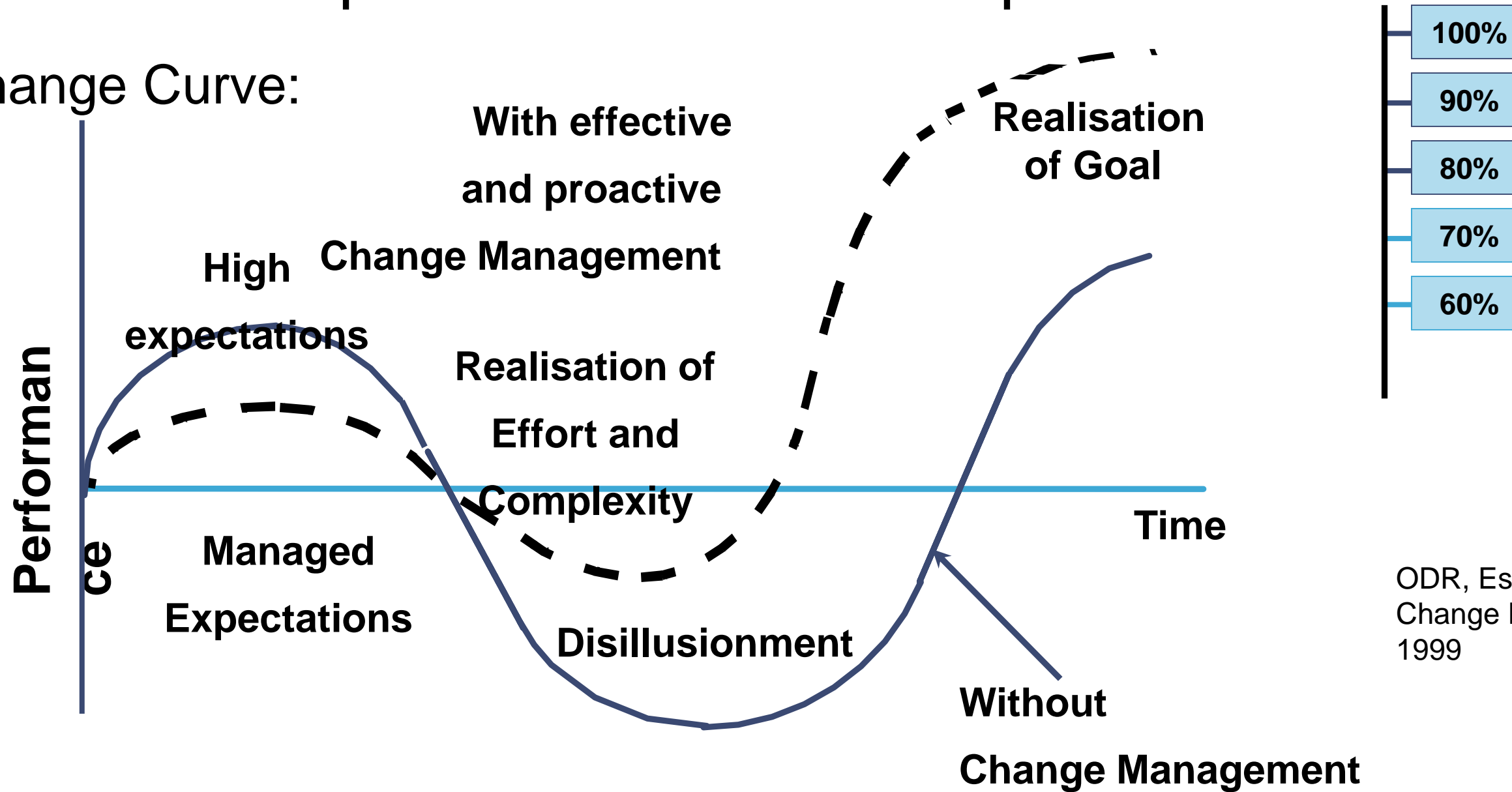
Change Management and capacity building is performed in the context of driving sustainable benefits and long-term impact



Successful outcomes are driven by timely and proactive change management

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

Change Curve:



ODR, Essentials of Change Management, 1999

End of Session