

# Model for **SUSTAINABLE CHANGE**

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# Introduction

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Some of the earliest writings of mankind center on change. Dating back as early as 3000 BCE, the I Ching conceived the notion of change as inevitable and resistance to change as one of humankind's greatest causes of pain. These early agents of change wrote that to affect change in a positive way, a balance was required between internal and external forces. But it is one thing to produce a momentary change. It is quite another to sustain the change.

Stakeholders must have an understanding of the change and why it is important. They also need motivation to move in the direction of the change and to embrace the change as necessary for the future of the organization as well as their own future. Performance incentives must be in place, which reinforce the desired behavior required by the future state envisioned as part of the strategic plan. And, lastly, stakeholders must understand the risks and consequences associated with failure and the rewards associated with success.

Take the recent example of Toyota. Toyota built its brand and its competitive position around its pioneering Total Quality Management (TQM) concepts. As part of new hire training employees were required to watch a production line until they uncovered some type of defect. If a defect was spotted, the trainee was expected to pull a cord and sound an alarm, halting operations. Quality leaders then arrived to inspect the defect, and everyone celebrated if the alleged defect was validated. The trainee then moved off the line to complete the training program. Other trainees had to remain until they, too, identified potential defects. This practice, which became embedded in the company's culture, fueled its global growth. So how did Toyota end up being sued, fined by government authorities and nursing a badly damaged brand image, as the result of a major vehicle defect? Why was the company not able to sustain its TQM change?

There is a need to make a shift in most organizations' cultures. Too often change management consists of communication of the change at the start of the project and ends with training on the new process, tool or product, all with a hope for the best. To break with this pattern and embrace the model for sustainable change, organizational leaders, including project and program managers, must go beyond just communicating with and enrolling all stakeholders. They must actively engage their teams in designing, implementing and making ongoing improvements in strategic organizational changes.

# Sustaining Change

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Change management constitutes the proactive steps taken to enable transition from the current state to the future state with the goal of improvement that is sustained over time. This whitepaper proposes a path forward for achieving sustainable change.

PMI's *Pulse of the Profession® In-Depth Report: Enabling Organizational Change Through Strategic Initiatives* (PMI, 2014) noted that 48% of strategic initiatives are unsuccessful and, as a result, "nearly 15 percent of every dollar spent on strategic initiatives is lost" (p. 4). The good news is that success rates are significantly higher in organizations that report being highly effective at organizational change management. The other good news is that organizational teams can embrace and progress projects requiring significant change if they are effectively engaged in its implementation and improvement. Hornstein (2008) summarized the issue as it relates to IT programs when he stated,

One of the most important and significant outcomes of organizational change efforts that are coupled with IT implementations is the demonstration of the power of community and community action. That is, the creation of change agent roles, which are populated by organizational members, bringing all staff together to engage one another and the leadership in dialogue about the vision going forward, all bring out the pride and commitment of employees. Furthermore, it then becomes clear that everyone in the organization has great ideas about how the organization can improve itself. Employees often are just waiting for the opportunity to be invited to contribute.

# A Model for Sustainable Change

The foregoing research demonstrates that organizations can move from mere installation to strategic alignment, benefits realization and change agility by following a model for sustainable change. The model in **Figure 1** is not intended to represent a series of actions, or a step-wise approach. Rather, the intent is that all elements of the model receive ongoing attention and, in fact, the elements are highly interrelated and are adjusted as the projects and programs of a portfolio are executed.



<b>S</b> upport from the top	If behaviors within the organization are to change, accountability needs to begin with the executive sponsor and executive leadership. Establishing a crystal clear change agenda sets the foundation for a successful project. Executive leaders also need to support continuing improvement efforts aimed at ensuring that the desired changes become deeply embedded in the culture and actions of staff.
<b>U</b> timize change-sustaining approaches	At the close of a project and throughout the lifecycle of a program, efforts to sustain important changes should be built into transition plans and/or the next phase of the lifecycle.
<b>S</b> hift paradigms when needed	Shifting mindsets from how business is done now to how it will be done in the future may take minutes or decades. Thus, organizations may need to plan for continuous efforts to communicate the benefits of change to help individuals continue to adjust to a new reality.
<b>T</b> alk and communicate	Change sustainment requires ongoing dialogue and communication so that individuals understand why certain actions, processes, and behaviors are expected of them.
<b>A</b> ssimilate and integrate	Utilize change agents for change sustainment.
<b>I</b> nvest in planning for sustained results	Through practice and iterations of change, the investment in change will be realized as true project ROI is attained. As additional capacities become available and the organization becomes accustomed to adapting to change, that experience yields a well of resources that can be converted into sustaining prior gains, investment in innovation, and new capacities, product and service lines. This leads to competitive market advantage, building further capacity for additional iterations of change and innovation.
<b>N</b> egotiate results with a portfolio approach	Assess readiness for change before implementing strategies and then adapt to new conditions as warranted.

**Figure 1:** A model for sustainable change.

## Support from the top

Support from the top is evidenced by executive leaders walking the talk, visibly and audibly supporting the goals of the project or program when communicating with staff. This must also be the case when interacting cross-functionally with other organizational units or departments. Creating and communicating a crystal clear strategic vision and agenda set the foundation for a successful project or program. A key aspect of strategy execution is to create deep commitment and alignment, then empower change agents to participate in its construction and execution (APQC, 2014).

To ensure deep organizational alignment toward the change, and thus lay the foundation for sustaining the change, executive leaders must begin by establishing alignment among the senior leadership team for the change as described in the business case and as it relates and supports the strategic plan. When enforcing the consequences of change action, it becomes important for leaders to back up one another as well as leverage inter-departmental cooperation lest a double-standard be perceived, which can drive up resistance and drive down adoption rates.

Once there is leadership alignment, it becomes a powerful force as the leadership ensures alignment occurs below them and in parallel interfaces with other areas of the organization. Having ensured leadership alignment, then the leadership seeks to enroll the people impacted by the change as part of the sustaining sponsorship model described by Harrington and Nelson (2013).

Executive leadership of the change elements may not end when the project closes. For example, some organizations that embraced lean practices to reduce waste and improve efficiencies have committed to ongoing performance improvement and sustainment. They are constantly assessing their capabilities and identifying changes that can lead to significant improvements. This focus, and the resulting benefits, would not be possible without ongoing support from executive leadership.

## Utilize change sustaining approaches

Because a program's lifecycle can last for multiple years, there can be shifts in the people involved on the program over time. Thus, the program may need a change sustainment plan to ensure that critical change elements are not inadvertently disrupted as team members transition on and off the program team. Similarly, projects within the program should ensure that following closure, any remaining change management activities are incorporated into the program plan's change activities.

In the project environment, once the project is completed, its outputs are transitioned into the organization. That transition and any ongoing support for related change elements should be built into the project plan. The operational staff who will manage the project deliverables once the project closes must be engaged in the process.

As *Managing Change in Organizations: A Practice Guide* (PMI, 2013a) states, sustainable change begins with the initial project planning. Formulate change is the first activity in the Change Life Cycle Framework shown in **Figure 2** and part of the activities of this process is to "define the pacing of change in collaboration with the recipients' representative...in order to be able to mobilize the stakeholders and sustain the change" (p. 69). While sustain change is depicted in the Change Life Cycle Framework, the practice guide notes that this is not a final step in a sequential process, but rather a process that links to the formulate change activity and receives focus throughout the lifecycle of the project or program.

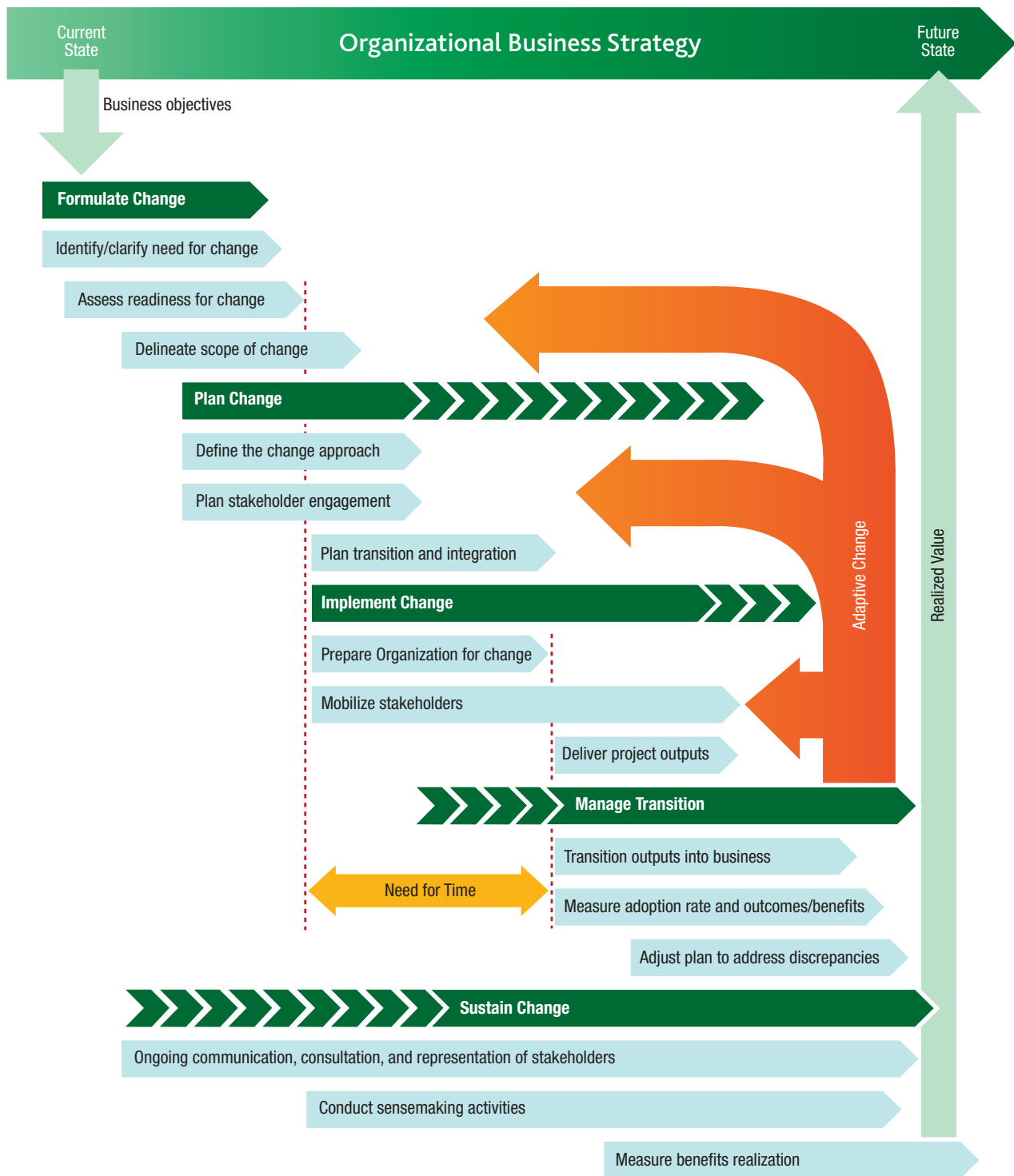


Figure 2: The change life cycle framework.

## Shift paradigms when needed

A focus on sustainable change must look beyond simply effecting the change and deal with the potential for the organization to fall back into past ways. So not only is inertia a factor, but the tendency to revert to a more comfortable and familiar way of doing things when pressures mount. Shifting the paradigm from how work used to be done (the present state) to how work will be done (the future state) includes removing the tools and mechanisms used in the past that are no longer of value.

When Hernán Cortés determined that the time had come to move to the interior of Mexico and engage Montezuma, he was faced with the threat of mutiny by the troops. The goal was clear, but there had already been several cases of mutiny or attempted mutiny. Therefore, he determined that “There must be no retreat available for them. Everything must be bet on success” (Marks, 1993, pp. 84–85). Cortés removed the possibility of turning back by destroying the ships that had brought them there. There were only two options: “fight or die.” While the strategic objective of projects and programs is not this dramatic, for sustainability it is important to remove the possibility of returning to past tools and mechanisms and focus on the implementation of the new processes to sustain the desired future state.

Make the decision for the required mindset shift first, and then work on the behavioral shifts—organizational shifts will then follow. There are no shortcuts to transformational change. It does help to break the scope of change into manageable segments, identify the key behaviors necessary to sustain the change, then modify and reinforce positive behaviors by changing the structure of rewards and consequences while measuring progress toward the stated goals.

## Talk and communicate

Change sustainment requires ongoing dialogue and communication so that individuals understand why certain actions, processes and behaviors are expected of them. Educational efforts, coaching/mentoring and review and evaluation may help everyone in the organization understand the evolving impacts of change, ongoing efforts to sustain the change and the associated benefits. McDonald’s, for example, has sustained an effort to add healthier food options to its menus and to convince customers of that commitment. In its commercials and restaurants, the company continues to communicate and advertise that the organization is serious about offering healthier options.

## Assimilate and integrate

Change agents, defined as “active proponents and drivers of the change” (PMI, 2013a), have important roles to play in change sustainment. They are key information conduits and influencers within their teams and can easily identify when sustainment efforts need to ramp up. They also have “ears to the wall” and can help integrate people and processes in support of sustaining the change.

## Invest in planning for sustained results

Through practice and iterations of change, the investment in change will be realized as true project ROI is attained. As additional capacities become available and the organization becomes accustomed to adapting to change it yields a well of resources, which can be converted into sustaining prior gains, investment in innovation, new capacities, and new products and services. This leads to competitive market advantage, building further capacity for additional iterations of change and innovation.



There is an opportunity and need within most organizations to ensure the investment of time and attention to sustaining the change (Beckhard & Pritchard, 1992). When this is true, any current success serves as an enabler for the success of future change as change becomes part of the culture and specific successes become part of the cultural folklore.

Investment for sustainability goes beyond the planned investment in the project itself. There should be further investment planned as part of operations planning that is focused on continued training and support of the future state, further driving sustainable change in the organization. This ongoing investment is a building block for developing a change agile organization in that it continues to reinforce what has been achieved, builds on that achievement and leverages the new capabilities for future change. Success breeds success when there is intentional focus on what has been done and what can be done in the future. This investment planning also works to minimize barriers to change such as resistance.

## Negotiate results with a portfolio management approach

The *PMI Lexicon of Project Management Terms* (PMI, 2013b) defines a portfolio as "projects, programs, sub-portfolios, and operations managed as a group to achieve strategic objectives." The negotiation value in taking a portfolio management approach to change is that it directly links the project output back to the organization's strategic plan. Furthermore, a portfolio's collective components are a direct reflection of the organizational strategy and objectives. Portfolio management involves identifying and aligning the organization's priorities, establishing governance and a framework for performance management (and continuous improvement if warranted). When taking a portfolio management approach to change management, the organization's projects and programs roll up delivering comprehensive portfolio reporting and assessment of value, cost/benefit and return on investment (ROI), while allowing a broad vantage point for evaluating risk and the allocation of resources across the system.

Further, taking a portfolio view connects one phase of strategy implementation to other, related projects and programs initiated to effect the larger change envisioned in the strategic plan. It also helps to connect capabilities enabled by one project to the capabilities required by other projects. The project is then no longer a once-and-done project, but a collection of projects linked to strategic change and the further development of strategy.

The good practices in portfolio management (PMI, 2013c) benefit organizations by ensuring standardization of the following practices, often the province of an organization's governance function:

- Providing an overall infrastructure for the management of projects, programs and sub-portfolios
- Supporting review and evaluation of new initiative requests, facilitating prioritization and authorization of new projects, and allocating resources to affect change in alignment with organizational strategy and objectives
- Providing project and program progress reporting of critical success factor metrics, resources, expenditures, defects and associated corrective actions to the portfolio governance process
- Negotiating and coordinating resources between projects, programs and other portfolios

- Assisting with risk identification and mitigation
- Communicating risks and issues related to ongoing initiatives
- Monitoring compliance to policies and ensuring ongoing alignment with the organization's strategic objectives
- Providing knowledge management resources and archival services, including collection and propagation of lessons learned

Once the objectives for change envisioned by the project deliverable have been attained and reported, it's time to close out the project. This last step is often overlooked, as a bit of change exhaustion may have set in during the course of the project. Understanding that this dynamic will be present as the project winds down and energy naturally shifts elsewhere, document the lessons learned throughout the project lifecycle and not just at project closure.

The importance to the organization is to ingrain what went right and avoid replicating anything that went off course. Focusing and standardizing organizational change approaches across the portfolios of projects over a sustained period of time are crucial to building an organizational culture that is adaptive to change (and improvement) as part of the organization's day-to-day operations.

# Summary

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Various methods (with varying results) have been used in the past to effect change and deal with the inevitable impacts of change (Gelfand, Leslie, & Keller, 2008). As PMI's *Pulse of the Profession*® (2014) points out, "To successfully implement organizational strategy, companies need project and program managers with the skills to drive and navigate change, while ensuring that those changes are strategically aligned to business goals" (p. 2).

Project success involves preparing the organization for transformation, ensuring stakeholder buy-in, and engaging executive sponsors to champion and support the change before, during and after its implementation. By following the model for sustainable change suggested in this whitepaper, organizations will be better positioned to maximize the return on investment from programs, projects and people. By following these practical methods, the organization will progress from mere installation by evolving and involving the culture of the organization into a new paradigm of implementation through ongoing enrollment and alignment of all stakeholders. When stakeholders are motivated to change, risks and rewards are understood and the change embraced as beneficial to the organization and each stakeholder, then change can be sustained.

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