1. Introduction

The purpose of this Guideline is to promote an understanding of the key requirements for the successful management of the change within an agency, such as changes in work practices and business processes that are associated with information and communications technology (ICT) projects. ICT projects may involve applications, infrastructure, supporting technologies, information management, and telecommunications projects, including the acquisition and/or maintenance of telephone, radio and network infrastructure.

Change Management involves understanding the level of change that a project will cause to an agency and its people, and proactively developing strategies and action plans to manage the impact of that change. Change Management does not relate to the management of internal changes to a project such as program change control.

Change Management is often one of the most significant components of a project and can be a larger and more complex task than the project's development and implementation phases.

While the concepts and issues covered by this Guideline are primarily intended to promote improved management of the change associated with ICT projects, they can equally be applied to other projects and activities undertaken by an agency.

Change Management is one of three core elements of a project. The other two elements are Project Risk Management and Quality Management and these are the subject of separate Guidelines. Failure to effectively implement each of these three elements could jeopardise the project.

2. Objectives and Scope of Guideline

Most projects that an agency undertakes, regardless of whether the project includes a technology component, will result in changes to the agency and the way in which its people work. A successful project devotes significant attention to managing the impact of these changes.

The agency's Chief Executive Officer (CEO) and senior management must demonstrate commitment to the change, and the larger the change, the greater the need for a senior Project Sponsor. However, the importance of their role in the management of change is not always clear.

This Guideline provides advice on best practice in Change Management, but does not attempt to define a Change Management methodology. It describes:

- The role of senior management in change;
- What senior management should expect to occur to manage the change associated with a project;
- The questions to ask to determine whether Change Management is occurring effectively.
Change Management is a core element of the successful management of a project and must be an area of focus throughout the life of the project. The scope of this Guideline is best practice in Change Management from the development of the concept for the project through to the realisation of the project's benefits.

3. Concepts

Resistance to change, which can include valid questioning of the need for the change, is a natural part of almost all projects. Without managing the change to the agency and its people's work patterns the potential benefits of a project are unlikely to be fully realised. The identification of sources of potential resistance and the development of a plan to manage that resistance is essential if the project's risks are to be reduced and the likelihood of successful implementation increased.

New technology is just one dimension of the change associated with a project. Organisations will normally manage the implementation of new technology and processes well, but often lack a disciplined and effective approach to the management of the impact of those changes on the organisation and its people.

Effective management of the change associated with a project requires:

- **A Change Sponsor**: The sponsor must be a senior manager with sufficient authority to initiate the change process and the ability to sustain it through to implementation.

- **A Clearly Defined Business Objective**: The objective of the change must be clearly documented and communicated to all individuals who will be impacted by the change. In particular it is essential that the business objective is clearly understood by the sponsor.

- **A Tolerance For Ambiguity**: While the objective of the change must be clear at the start of the project, the exact nature and extent of the changes will become progressively clearer during the progress of the project. All participants in the change process must understand that this ambiguity is a normal part of the change process, but that as the change progresses the ambiguity will decrease and measurable benefits will be identified.

- **Commitment at all Levels**: Commitment to the change must start with the CEO, senior management or the Change Sponsor and continue through all levels of the agency that are affected by the change. This commitment cannot be delegated and is demonstrated through actions such as ensuring adequate resources are assigned to the change and providing clear support for the change process at management meetings.

- **Open Communication**: A formal communication plan is an essential element for building commitment to the change. Communication up and down the organisation structure must be open and allow all participants, and other stakeholders such as unions, to feed their views and opinions into the change process. The communication mechanisms adopted for the project must be dynamic and be adjusted as needed to meet the needs of the change.
An Appropriate Change Management Methodology: Using formal methods for managing change is essential on complex projects when the cost of failure is high and the probability of failure is real due to the anticipated resistance to change. Using an appropriate Change Management methodology will increase the likelihood of successfully implementing the changes associated with a project.

4. Key Issues

Some of the Key Issues that should be addressed include: (not listed in any order of priority)

- If a project is viewed by agency staff to be the cause of the change, then their resistance to the project is generally higher. Marketing the project as providing support for a pre-defined change in business processing will assist in reducing resistance.

- Effective communication between the project team and agency staff is an essential element of change management. A primary focus of the communication must be to market the project to management and staff, with the objectives of building realistic expectations and reducing resistance to the new system or technology.

- During the implementation of change an agency will normally require an increase in effort and funding. The Change Sponsor, Change Agents and the people who must change may all need some level of relief from their current work-load to allow them to participate effectively in the implementation of the change.

- When an agency undertakes multiple change projects concurrently there will be increased competition for resources and management support and attention. Particular attention will need to be paid to ensure adequate resources are available for each project and that adequate levels of sponsorship are devoted to each change initiative.

- Change Management is a continuous process, not a single event. During this process people may experience high levels of confusion and uncertainty as they move through a transition stage before achieving full implementation of the change. Effective support and direction from the Change Sponsor and other managers is essential during this period.

- An appropriate style must be selected for managing the change associated with a project. The higher the degree of change, the greater the need for a collaborative or participative approach to be adopted by the project team when dealing with the management and staff who must change.

- Projects which are associated with substantial levels of change normally require dedicated change management teams and the effort associated with the management of the change can be the largest component of the project. The change management teams should include change management specialists who will need to work closely with the other members of the project team.

- An effective Sponsor at a senior level within the agency is an essential requirement for the successful implementation of change. The Sponsor
cannot delegate their role or responsibilities to other participants in the project such as Change Agents.

- Successful Change Management focuses on managing the "well being" of the people that are subject to the change. Recognition and empowerment of these people will assist the project team to build a rapport with them and will usually lead to a reduction in resistance.

- Changes to the culture of an agency are the most difficult to manage and implement. Culture is normally the most powerful force opposing change and the implementation of cultural change is a long-term process which needs to be managed carefully and requires large amounts of sponsorship at all levels.

- Active involvement of stakeholders in activities such as planning and training will make the change more successful and will assist in reducing resistance.

- At the start of a project, it is not usually possible to identify all of the Change Management issues that will develop. Therefore, it is critical for a clear mechanism or strategy to be defined for dealing with Change issues as they arise throughout the project. An appropriate Change Management methodology will assist in this process.

- Formal techniques should be used to assess the amount of change that a project may cause within an agency. This assessment of the level of disruption that is expected to occur should take place as early in the project as possible. The level of change that a project will cause determines the level of emphasis the project team should place on human and organisational factors before and during implementation.

- Early involvement of unions and staff associations in the change process is an essential part of successful Change Management. They can influence the people who must change and can play a key role in promoting acceptance of the change.

- Ensuring that the people who must change receive adequate training in the new processes and technology is an essential part of fostering their acceptance of the change.

- As with any other project management activity, formal mechanisms must be implemented to monitor and measure the effectiveness of the Change Management process.

- While the Change Management component of any project can be a significant project in its own right, the activities and tasks relating to the change process must be integrated with the overall project plan. This will ensure that any dependencies and resource conflicts are identified and resolved.
5. Activities

There are five major activities of Change Management that should occur continuously throughout the project:

- **Identify Key Change Management Roles**: Key roles are identified such as the Change Sponsor, Change Agents and the management and staff who must change their work practices.

- **Build and Maintain Effective Project Sponsorship**: Sponsorship is built and maintained through activities such as educating project and change sponsors on their role, ensuring they understand the benefits that the change will provide and optimising the use of their time on the project.

- **Build Commitment Through Effective Communication**: A communication plan is developed and maintained to ensure that expectations of the project remain in line with reality.

- **Acknowledge and Manage Resistance**: Any resistance to the technology and new or changed business processes associated with the project is recognised and managed.

- **Build Synergy Through Teamwork**: Synergy is developed to create an atmosphere that allows individuals from different backgrounds and with diverse skills, experience, needs and aspirations to work together.

The objectives and nature of each of these aspects of Change Management are described in the following sections.

5.1 Identify Key Change Management Roles

The roles and responsibilities of each participant and stakeholder in the change process must be clearly defined from the start of the project. The four key roles are:

- **Chief Executive Officer** who must demonstrate commitment to the change and ensure that the Change Sponsor accepts ultimate responsibility for its successful implementation. The CEO should also be a vocal and active champion of any major change projects that are undertaken by the agency.

- **Change Sponsor**, who could be the Project Sponsor and who has the authority and organisational power to initiate the change and sustain it through to its implementation. The Change Sponsor must have the seniority to ensure that the necessary resources are available throughout the change process.

- **Change Agents** who are responsible for making the change a reality through activities such as design of the elements of the change and development of plans for its implementation. Individuals with this role include the Project Manager, project team members and key influencers within the agency.

- **The individuals or groups who must actually change**. Typically, these are the staff that will use the new system or technology and includes all who are a source or recipient of information from the system.
An individual can have more than one of the above roles. For example, a manager may be responsible for implementing change within their department (Change Agent) and also need to change the way they work.

Line management must often act as Change Agents because they have the influence and authority to make the change take place. Change Agents often need to be dedicated to the change process and line management acting in this role may need to be able to delegate some or all of their normal responsibilities.

Care must be taken to ensure that the most appropriate individuals are selected to act as Change Sponsor and Change Agents. The team formed to implement the change must have a good knowledge of current work practices and the confidence of the management and staff who must change. If the change management team does not have experience in implementing changes of comparable scope and complexity, it should obtain specialist advice and assistance.

The management and staff with a detailed understanding of current work practices also play a key role in the Change Management process by assisting with the selection of the people who must change and the identification of the changes that are required.

The implementation of change usually requires an increase in effort by the agency. The nature and extent of this increased effort should be identified as early in the project as possible, with strategies developed to address this requirement. These strategies may include use of under-utilised resources within the agency and the use of temporary resources such as contract staff.

During the extended implementation of a large change, it is highly likely that one or more of the key stakeholders or participants in the change process will need to be replaced. It is essential that a formal process be identified at the start of the project to cater for these situations and to ensure that there is adequate hand-over of responsibilities, and that sufficient time is allowed for orienting new Sponsors and Change Agents.

Summary of key activities associated with the identification of key change management roles:

- Identify Change Sponsor, Change Agents and people who must change;
- Identify the level of effort required and develop a plan to cater for it;
- Develop a process to cater for changes in stake-holders or key participants;

5.2 Build and Maintain Effective Project Sponsorship

It is essential that an appropriate and effective level of sponsorship be maintained throughout the life of the project. Active sponsorship of the change must commence at the start of the project and continue until the benefits of the
project have been fully realised. Effective sponsorship is difficult to attain and equally difficult to maintain.

The Change Sponsor has the authority to start the change process, but it is unlikely that they can implement a change without help. Line management, who can assist the change process by assigning resources to it and directly influencing the people who must change, need to be convinced that the change is important and be willing to provide support and sponsorship.

Sponsorship is the only force that will drive the change process and to be effective the Change Sponsor must demonstrate commitment to the project and the changes that will result from it. The Change Sponsor must clearly understand their role in the implementation of the change and may need education from the project team to achieve this.

The agency's Chief Executive Officer must also demonstrate commitment to the change and provide appropriate levels of support. The CEO must ensure that the Change Sponsor assumes ultimate responsibility for the successful implementation of the change.

An effective Sponsor will have the commitment and authority to quickly resolve key issues that affect the implementation of the change. However, Change Sponsors are normally senior managers within an agency, and the use of their time by the project team must be optimised by ensuring that their decisions are sought only when necessary.

Change Agents must not be expected to assume the role of Change Sponsor. They can design elements of the change and assist with its implementation, but usually do not have the power to legitimise change.

An active and effective Change Sponsor:

- Demonstrates their support for the change approach, organisation, methodologies, guidelines and procedures both consistently and vocally;
- Is the driving force behind the change;
- Keeps the CEO well informed about the change process;
- Cascades support for the change through line management to ensure that consistent support for the change is maintained at all levels;
- Helps manage the scope of the change and is actively involved in reviewing and approving all major requests to alter the scope of the change;
- Provides motivation and direction for agency staff in adapting to the changes;
- Is accessible to project team members;
- Supports efforts directed towards quality;
- Participates in the development and updating of the management plan;
- Maintains up-to-date information on the status of the change;
- Addresses high-level change management issues in a timely manner.
Summary of key activities associated with building and maintaining effective project sponsorship:
- Obtain sponsorship from the start of the project;
- Educate sponsor on their role;
- Obtain the commitment of the CEO;
- Optimise the use of the sponsor's time;
- Gain commitment of line management.

5.3 Build Commitment Through Effective Communication

A key element in building commitment to the changes associated with a project is effective communication between the project team and the stakeholders and participants in the change. Commitment for the change must be developed at all levels in the agency, otherwise the change effort will fail to achieve its objectives.

A formal communication plan that identifies the rationale for change and key activities and also defines responsibilities is an essential element of effective communication. The plan must focus on marketing the change by building and maintaining understanding of, and commitment to, the change throughout the agency. This marketing effort must take into account the increasing level of understanding management and staff need as the project progresses.

While the communication plan must focus on building the commitment of management and staff to the impending change, it must also ensure that their expectations remain realistic. It is equally important to manage positive perceptions about a change as much as the negative perceptions. If management and staff expect too much of an improvement or benefit from the change, then their acceptance of what is actually delivered may be at risk.

The information provided to staff affected by the change must be consistent with internal project team information. Any inconsistency between internal and external project information will quickly become apparent to management and staff and has the potential to significantly erode support for and confidence in, the project team.

Communication up and down the organisation structure must also be open and allow all participants, including unions, to provide their views and opinions on the change process. Commitment to a change will not be obtained if the people who must change do not believe that they have effective input into the process. People should be encouraged to express their views, regardless of whether they are positive or negative.

Implementation of change will normally generate confusion, ambivalence, conflict and debate within an agency. Each of these states are to be expected and effective communication mechanisms will enable the project team to monitor their development and to encourage healthy debate.
It is essential that the communication approaches that are adopted for a change are **dynamic**. A "set and forget" approach will not work and the effectiveness of the communication must be surveyed and adjusted as necessary. Both formal and informal feedback to assess the effectiveness of the communication should be built into the communication plan. These mechanisms should measure the success of the marketing of the change.

Methods that can be used for communicating and marketing the change include:

- Involvement in the decision making process;
- Project newsletters;
- Agency magazines or intranet;
- Computer based training;
- Briefings;
- Workshops;
- Videos;
- Interactive presentations;
- Educating and training management and staff on how to use the new systems and technology;
- Support for people affected by the change.

Summary of key activities associated with building commitment through effective communication:

- Develop a formal communication plan;
- Ensure expectations of management and staff remain realistic;
- Maintain consistency between internal and external communication;
- Implement open communication;
- Adopt dynamic approaches for communication.

### 5.4 Acknowledge and Manage Resistance

Resistance to change is a natural human reaction and to manage change successfully a clear understanding must be developed of the specific reasons for the resistance. The resistance to the change must be **anticipated** and the potential resistance factors need to be identified as early in the project as possible. Resistance can range from valid questioning and challenging of the basis of the change through to unfounded rejection of the change.

As a first step in developing a plan to manage resistance, an evaluation needs to be made of the amount of change that the project will generate. Surveys and questionnaires are effective tools that can be used to evaluate the level of change and potential resistance to that change. Discussions with sponsors, management, staff and other key individuals will also provide a good understanding of the **type and level** of resistance that the change will generate.

Resistance to change generally increases towards the end of a project as more information becomes available to the individuals affected by the change and as it moves closer to them. Even those who perceive change as being positive will normally show some resistance, and this is most likely to occur as the date of the
change moves closer. It is therefore essential that the assessment of resistance factors is conducted regularly throughout the project.

High level or complex resistance issues may need to be addressed by the Change Sponsors rather than by the project team. For example, if the people who must change anticipate that a project will result in large staff reductions this may generate high levels of anxiety and reduced productivity. The project team is unlikely to be able to manage this level of resistance without the assistance of senior management.

**Staff associations and unions** can have a significant impact on the level of resistance that develops for a change. If these key influencers are kept well informed and involved from the inception of the change process, they have the ability to significantly reduce the level of resistance to the change.

Approaches that are effective in the management of resistance include:
- Providing mechanisms for individuals to discuss their concerns openly, such as facilitated workshops, rather than suppressing the concerns and raising their level of resistance even higher.
- Clearly communicating to management and staff aspects of the change such as the benefits that individuals will obtain from the change and why the agency needs to be restructured to obtain those benefits.
- Managing the number of minor and uncontrolled changes which staff must cope with such as changes to screen field names.
- Providing adequate training.
- Providing adequate support for staff before, during and immediately after implementation.
- Involving people who resist in the project as much as possible to provide assurance that their concerns are understood and will be addressed.

Summary of the key activities in acknowledging and managing resistance are to:
- Evaluate the extent of the change;
- Develop a plan to manage resistance;
- Reassess resistance factors throughout the project;
- Use change sponsor to assist with high level or complex issues;
- Keep staff associations and unions well informed.

### 5.5 Build Synergy Through Teamwork

Throughout all stages of change management, synergy should be developed and maintained both within the project team and between the project team and management and staff. The Change Sponsor plays a key role in the development of this synergy.

Synergy is built through **teamwork** to create an atmosphere that allows individuals from different backgrounds and with diverse skills, experience, needs and aspirations to work together to accomplish more than they could have done
individually. Synergy will lead to interdependence between stakeholders and participants and is essential if common goals are to be developed and met.

Developing synergy at a broad level will increase support for, and reduce resistance to, the changes that arise out of the project. The management and staff who must change will, through increased involvement with the project team, develop greater commitment to the project and the changes associated with it.

Synergy can only be developed when all of the stakeholders and participants in the change process have both the ability and the willingness to perform their assigned tasks effectively. In addition, an environment which promotes the development of synergy must exist.

Deficiencies in the ability of individuals can be overcome by training, while deficiencies in willingness can be overcome by building motivation and commitment to the change as discussed in earlier sections of this Guideline.

While the Project Manager is responsible for building synergy, particularly in terms of addressing shortfalls in the abilities of individuals, the Change Sponsor also has a key role to play in building motivation and commitment among participants and stakeholders.

Summary of the key aspects of the development of synergy are to:

- Create an atmosphere to allow individuals to work together to achieve common goals;
- Provide people who must change with high levels of contact with the project team;
- Monitor the ability and willingness of stakeholders and participants;
- Address shortfalls in ability through training;
- Increase willingness of participants by building motivation and commitment.

6. Summary

Change Management is a complex task, which normally requires substantial levels of resources and effort. It is a continuous process that must take place throughout all stages of a project and must have the commitment and support of the CEO and senior management.

This commitment and support must be cascaded down throughout the agency and the ultimate success of the implementation of the change will be dependent on:

- High levels of effective sponsorship over the life of the project;
- Effective marketing of the change which builds commitment within the agency without unrealistically raising expectations on the benefits that will be realised;
- Recognising and managing resistance to the change through a continuous monitoring of the views and expectations of management and staff;
- **Teamwork** which builds synergy both within the project team and between the project team and the rest of the agency.

Management of change is concerned with the needs and aspirations of people and is a key element of project management.