AGILE CHANGE
management limited

Project Managers need to know about behavioural change

Author

Melanie Franklin
Director
Agile Change Management Limited

Introduction

I believe that to be an effective Project Manager, an appreciation of what is required to create behavioural change is essential. After all, it is not our project deliverables (new systems, apps, infrastructure etc) that realise benefits, it is their use by all those in the business that make a difference to the bottom line.

I recognise that project management and change management are different disciplines, and I am not saying that Project Managers must become full time Change Managers. However, I do think there are benefits in understanding the scope and techniques of both disciplines, and viewing successful project delivery from the centre of this Venn diagram, and not as a product of only one of the circles:
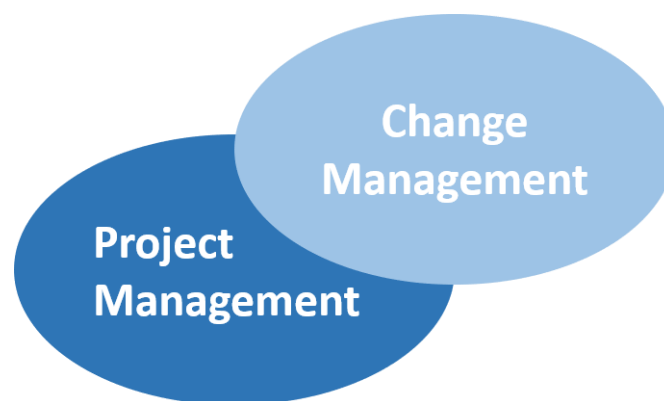
In this paper I am going to establish the benefits of all those involved in project delivery, including the Sponsor and the PMO having an appreciation of what is involved in moving from the current ways of working to establishing habits and routines for new ways of working.

Project Management is changing

Project management is a maturing management discipline, and what good project management is, what the roles and responsibilities are and what techniques should be applied continues to develop.

I think within the business, expectations of what is a project are changing. They are broadening from the introduction of something new to a "full service" concept of delivering new ways of working. The following is the summary of an issue that my clients have shared with me numerous times in the last couple of years. I wonder if you can see the parallels in your own organisation?

> X sells a data analytics tool to customers around the world. Each implementation is treated as a project, delivered by a small project team who configure the platform to the needs of the customer. However, there is increasingly negative feedback from customers complaining that the tool has not delivered the business improvements that were hoped for.

The root cause of these complaints is that the project team do not help their customers change processes and procedures to get the most out of the tool. Customers make the point that they expect the project team who are experts in the tool to provide guidance on how best to use it, not just to make it work technically.

The contract with the customer is for project delivery but what they really want is the benefits that successful adoption of the tool into their business will bring them. Customer perception of what a successful project is has matured, and we need to keep pace with this. They want the improvement in business performance that triggered their investment decision, not project deliverables that require another initiative to ensure successful adoption and embedding into ways of working.

Too many projects are deemed failures because whilst they delivered on time and to budget, over time the investment has not generated the expected payback. There is a need to close the gap between the value promised in the business case and the true realisation of the benefits. This is a shared concern for those who deliver projects internally within their organisations and those responsible for delivering projects to external customers.

Project
Management
without Change
Management

Project
Management
with Change
Management
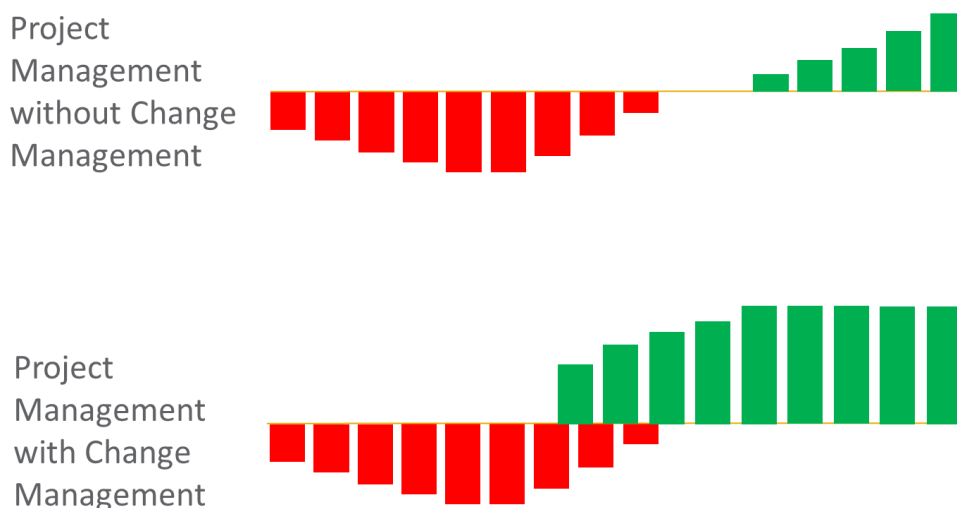
In the first graph, whilst the benefits from the project will eventually come on stream, there is a hiatus whilst the business get ready and organise themselves into new structures and devises new procedures and processes.

In the second graph, management of the new ways of working means that the benefits are realised earlier, and higher levels of benefits are achieved for the same project costs as above. It is just a way of showing that aligning project delivery and change management is more likely to deliver increased benefits earlier in the lifecycle, and therefore an increased return on investment.

Aligned to this view is that integrating change management activities into the project plan is a risk mitigation strategy. As one of my correspondents passionately argued, "resistance to change is the

biggest risk to benefits realisation". Change management activities reduce this 'benefits risk' by ensuring that the project deliverables become a valuable part of how an organisation works and delivers value to its customers.

Behavioural change AND project delivery lead to benefits realisation

Project delivery provides the business with the tangible elements of change. Projects hand over a new system, a new structure, an acquired organisation, a new product or service. This tangible change is the result of a process of research, design and development, delivered to an agreed deadline with an agreed budget.

This is true whether the project is waterfall, and all the features and functions are specified up front, or the project is run along Agile lines, with the feature evolving as progress is made and feedback received from users.
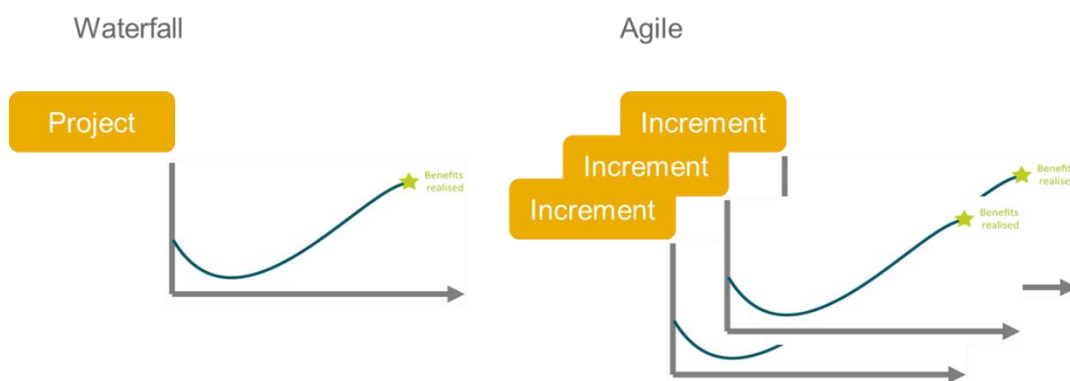

The only difference is that in waterfall managed projects the project deliverables are transferred to the business at the end of the project, triggering a Big Bang approach to changes in ways of working.

In Agile managed projects, early and frequent delivery means frequent changes to ways of working, with ongoing disruption to 'business as usual'.

Achieving behavioural change requires motivation and persuasion of those who must change how they are working. Behavioural change is a description of all the activities involved in stopping existing patterns of behaviour and adopting new ways of working. It is a description of all the activities required for human learning.

This takes us into the territory of emotional intelligence, neuroscience, psychology and behavioural economics. Change management is a series of carefully curated conversations that generate awareness of the need for change, understanding of the benefits of the change and desire to make the change happen.

The diagram below illustrates the combination of project and change activities needed to realise the intended benefits of the project. For the purposes of illustration, I am showing the change activities taking place after delivery (from the project or increments of the project) although it is hoped in the real world that change activities begin before or as soon as possible after the start of the project.
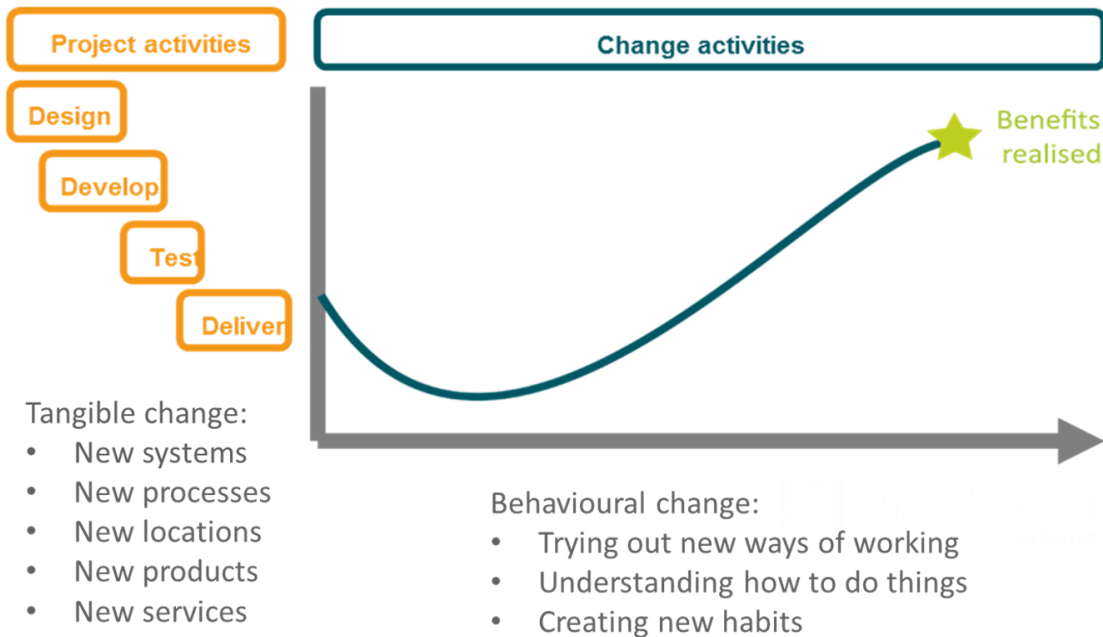
Barriers and how to overcome them

I know some of you reading this paper will think that I am unfairly broadening the role of the Project Manager, whilst others think that what I am suggesting is a natural evolution of project management. In this section I will set out the potential barriers to adding change management into the scope of project management and give examples of ow Project Managers already have the skills and techniques needed to overcome these difficulties.

The key constraints to greater involvement with the business in creating new ways of working are:
- Lack of business knowledge
- Not what the project team are set up for
- Different measures of success

Lack of business knowledge

Project Managers have a concern that they lack the credibility and authority to suggest to the business all the actions needed for changing business as usual. They are not processing the work day to day, they are not engaging with customers and suppliers regularly, so they do not have a detailed understanding of everything required to get the job done.

However, Project Managers, via the specialists in their project teams are the gateway to the information needed to change business processes. They can help the business understand what steps in the current process will no longer be needed as well as giving them a description of the new capabilities and constraints that help them re-imagine how they will work.

I think the project and the business benefit from the Project Manager becoming the trusted partner to the business. The Project Manager can hear first hand if there are difficulties in incorporating the project deliverables into business processes, and the business can appreciate why the project deliverables work as they do, and how to get the best out of their features and functions.

Along with this project knowledge, the planning skills of Project Managers can help the business. Whenever I am creating a Change Plan I am aware of how many activities are needed to encourage people to abandon old ways of working, learn and practice new ways of working. I need to have activities that build a sense of acceptance and support for the chance and to devise a wide range of participation opportunities to enable staff to review and redesign their processes, procedures, quality standards and responsibilities.

This is a major undertaking for anyone in the business who is being asked to create change alongside their business as usual responsibilities. Project Managers have skills in looking ahead, identifying what needs to be done, breaking these requirements into specific activities, scheduling these activities in a way that makes logical sense and enables them to be done in the shortest possible time.

These skills can help the business plan their part of the work, especially when we consider that so many in the business are struggling to create new ways of working because they are so overwhelmed with 'business as usual'. Project Managers don't have to balance operational responsibilities as well as their project activities, so they can bring focus and dedicate time to plan the behavioural change activities.

Not what the project team are set up for

Many Project Managers worry that those in the project team do not want any responsibility for business change activities. They have been selected for their technical ability and specialist understanding of how to create the project deliverables. These "I-shaped professionals" take pride in the depth of their knowledge in their field of interest. However, "T-shaped professionals" broaden their knowledge by incorporating different disciplines and different perspectives.

By understanding what is needed to create lasting adoption of new ways of working, I think Project Managers can better resource their project teams. In my own experience I can see how I no longer want team members with only technical expertise. I am searching for team members who have an ability to build relationships with the business and become partners in achieving the benefits.

I have started to prioritise emotional intelligence and communication ability alongside technical delivery ability, when hiring team members. I want the project team to be willing to consider the impact of their work on the business because I think this will help them take better decisions. If they apply the criteria of "will this achieve value for the business?" then we will select and develop the features of our project deliverables to better meet our customer's needs.

I think we should also widen the mission of the project team. Project Managers should encourage questioning of business impact as a design criterion when developing and testing project deliverables. I know we have all been involved in projects which have been driven by more by technical excellence and what is technically possible that what is can be practically applied by the business. If the remit of the project team is the creation of business value it encourages them to work alongside the business to achieve this shared objective.

Different measures of success

Project Managers are often measured on 3 key indicators of success:
- Creation of the project deliverables according to the costs predicted in the original Business Case
- Ability to hit all the milestone dates and the final deadline for the project
- Evidence that components of the project deliverables and the final versions of what is delivered pass all their quality tests and meet all their quality criteria.

As we all know, it is difficult to give time and resources to work that is not measured as part of our performance criteria. Where is the incentive for Project Managers to widen their remit to include change management activities if they are not measured on them? The problem is that these explicit measures are tracked by the PMO during the life of the project, but the real measure of success comes later, when consideration is given to whether the project delivered the benefits predicted in the Business Case.

We have our measures of progress wrong, we need to bring measures relating to realisation of benefits into the every day discussion of how the project is doing.

If the Project Manager has a strong understanding of all the steps needed to move an individual through from initial shock and upset that they need to work differently, through designing and practising new ways of working then they can quickly detect when these activities are not taking place.

If the business are not working their way through these activities, then they are not getting ready to use the project deliverables, and any benefits will be delayed. Project Managers who know what should be happening can time the total project lifecycle with more accuracy, because they know that there is a lag time from understanding project scope to identifying what needs to change in the business to exploit the new capability.

I don't think that what I am advocating is more work for the Project Manager. I think that it is a change of mindset, because it is about empathising with those that need to work differently and helping them to work out what they need to do to get the most from the project deliverables. I don't think it needs to elongate the amount of time needed for the project delivery element of the work either. The effort needed by the Project Manager is to engage with those with responsibility for business change, and through conversations, help them understand what they need to do.

5 changes to project management

Those organisations that are successfully combining project and change management are enhancing five key areas of project management, to incorporate aspects of change management:

- Business Case
- Stakeholder Analysis
- Project Plan
- Team recruitment
- Measuring Success

Business Case

The Business Case needs to be expanded to include the costs of implementing and embedding change.

The costs of behavioural change often fall through the net. They are not recognised as project costs because they are not part of creating the project deliverables. They are not budgeted for as operational costs as they are difficult to predict and so are absorbed by the business. These costs are everything needed to support the move to new ways of working.

They include training, coaching and workshop costs, and costs for communication materials and events. The cost of lower productivity during the transition to new ways of working, and the costs of back-filling those needed to work on the changes instead of 'business as usual' should also be recognised.

Including these activities give a 'truer' business case because they not only give more accurate costs but also give greater accuracy on the duration of the project, which is not just the date at which project deliverables are ready for use, but include the date at which the business has returned to productivity using its new ways of working.

Stakeholder analysis

Stakeholder identification and analysis purely from the project management perspective often identifies those who need to know about the existence of the tangible changes and the specifics of the new project deliverables.

However, too often there is little analysis of all those upstream and downstream of the core user team who will have to make changes to how they work. These project deliverables represent changes to inputs and outputs that need to be accommodated through changes to ways of working, affecting not only staff within the organisation but sometimes customers and suppliers as well.

This analysis should also capture those who supervise, quality check, authorise and audit these processes as they will need to amend their ways of working.

This comprehensive identification of stakeholders enables communication of the most important messages from the project: "get yourselves ready for change" so that there is no hiatus as people are surprised and scramble to incorporate what the project has delivered into how they work.

Project plan

Many organisations are recognising that they need one plan that integrates the creation of project deliverables, the communication to all those affected, the activities needed to create and practice new ways of working and the measuring of progress to track if benefits are being realised.

Individual Project Plans and Change Plans can allow things to slip through the net or for actions to be duplicated leading to unnecessary work and conflict about who is responsible. Integrating the two plans can help identify where there are disconnects between when something is ready for use and when those who need to will be ready to use it, which is the biggest impediment to realising the benefits of the project.

These integrated plans support the fully costed business case, which includes the change management activities. The plan demonstrates why the project will take longer to realise benefits than the 'go-live' date suggests.

Team recruitment

There is a shift in the experience and competencies that organisations are searching for when hiring project professionals. Not only are they looking for experience of working in Agile environments, but they are asking questions about the relationships these candidates have with the business. They are asking about their appreciation of the user/customer experience and how they are designing their project deliverables to meet these needs.

Measuring success

Whilst existing measures to track if a project is on budget and on schedule are still important, measures to track if people are working in new ways are needed. After all, if we don't measure if people have started using the project deliverables how can we be confident that the benefits will be realised.

These are difficult measures to track because what we are really measuring if whether an individual has decided to stop working in one way and is now willing to work differently. This is a psychological shift. The only way to measure if it has occurred is to look at the behaviour of the individual:

- Are they asking for more information about the project, indicating that they have realised that they are going to have to do something different and are looking for find out what that might entail?
- Are they volunteering to get involved in creating new ways of working, which means they are taking ownership for the necessary changes to their processes and activities?
- Are they using the project deliverables, evidencing that they have now moved to new ways of working?

Resourcing change management activities

Changes to the scope of project management are not the sole preserve of the Project Manager. An integrated approach to project and change management can only work if the Sponsor and the PMO supporting the Sponsor expand their scope as well.

Project Sponsor

Often the biggest impediment to creating new ways of working are the demands of 'business as usual'. Staff have no time to design new processes, take part in training on new systems, create communications to explain the up coming changes to customers and suppliers because they are so overwhelmed by their current workload.

Sponsors have a responsibility to free up this time, by reducing the current workload or backfilling key staff needed to create new ways of working. Only they have the seniority and authority to take these decisions, but they will not take action unless they can appreciate the full scale of the business change activities. This is where the willingness of the Project Manager to capture all of these activities in an integrated project delivery and behavioural change plan can help clarify the total amount of effort needed.

Sponsors also have to ask questions about the business readiness to take advantage of the project deliverables. I am noticing a real interest by clients in this expanded role of the Sponsor, recognising that sponsoring business change is different to sponsoring project delivery. They are asking me to train sponsors in behavioural change, so that they can identify what good preparation looks like and what signals a lack of preparation and what they should be worried about. I think this is driven by senior management demand for benefits realisation rather than finding they have sponsored something that didn't achieve any improvements and is perceived by others as a waste of investment and a wasted opportunity.

PMO

A Project/Portfolio Management Office (PMO) is responsible for reporting progress on all projects and programmes across the organisation. However, many PMO report on project metrics, showing what progress has been made in project design, delivery and testing. They do not report on behavioural change activities so do not provide Sponsors and other stakeholders with indicators about the business readiness and therefore the probability that benefits will be realised as set out in the Business Case.

By including measures to track how much preparation is happening within the business to fully exploit the new business capability delivered by the project requires an understanding of what the behavioural change activities are and to track that they are happening.

The types of measures that need to be tracked are project specific, depending on the changes to ways of working required. The PMO can ask the business to report on levels of participation in training, new process design, template design, amount and type of communication to impacted customers and suppliers etc to get an understanding of how ready the business really is.

Another important activity by the PMO is the shaping of the Business Case to include the behavioural change activities needed to realise the benefits. The PMO provide an important review of the quality of project documentation, and a Business Case that contains costs for project development and design and not business change is missing significant costs, resource usage and time required.

Creation of this integrated Business Case will also help to establish a unified team of project professionals and business users, which is something that the PMO should encourage.

Conclusion

Project management is changing. It is no longer the trigger for change, it is an integral element of creating business change and realising benefits. Organisations cannot authorise investment in projects without a rigorous and structured process for ensuring that the expected financial, efficiency, engagement and innovation benefits are delivered.

Increasing the understanding of Project Managers, Sponsors and the PMO about change management activities is a natural evolution of excellence in project management, as it leads to increased realisation of benefits. Anyone in a project environment should ensure that their personal development includes training in change management techniques.

About the author

I have been responsible for the successful delivery of effective change and for creating environments that support transformational change for over twenty years. I have an impressive track record of successful consulting assignments and I am an acknowledged thought leader in Change Management.

I am the Co-Chair of the Change Management Institute UK and a respected author of text books and articles on change, project and programme management. I have an extensive consulting practice, providing senior management guidance and support in developing their organisations capability for managing change. I also help to devise, plan and oversee large-scale cultural transformations to enable organisations to become more agile, more innovative and to achieve greater levels of customer satisfaction.

To access more resources about change management, connect with Melanie on LinkedIn
https://www.linkedin.com/in/melaniefranklin1/