

Project Management and Organizational Change

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ABSTRACT

KEY WORDS

*Change Management
Organizational change
Operational readiness
Critical Success Factors*

This research is a quantitative study of the relationships between project and organizational change management. It identifies the nature of practices used by managers in project, program, and change roles.

A major finding of this research is that professionals in project roles appear to be embracing change implementation practices, despite their absence from the main PM standards for both knowledge and performance. Further, facilitation of business integration and making informed decisions were identified as critical success factors for projects.

The research is based on medium to large financial and engineering organizations, primarily in Australia, that manage a wide range of projects including new product development, infrastructure and organizational change.

THE PROBLEM

"Management of organizational change has received relatively little attention in project management research."

Change initiatives are increasingly being organized as projects, and projects increasingly involve change elements. Project managers claim to be agents of change, and the effective management of such change has been recognized as a factor contributing to project success.

However, management of organizational change has received relatively little attention in project management research. There is lack of clarity concerning the relationship between and among change, project, and program roles. Moreover, the focus of prominent project management guides¹ is on change control without reference to the delivery of desirable change that is a key to the success of many projects.

This research aims to enrich the theoretical knowledge of project and program management; contribute to practice in the fields of project management and change implementation; and to inform and improve project management standards.

¹ APM Body of Knowledge (Association for Project Management), IPMA Competency Baseline (ICB) (International Project Management Association), and A Guide to the Project Management Body of Knowledge (PMBOK® Guide).

■ THE STUDY

"There is lack of clarity concerning the relationship among change, project, and program roles..."

"[T]he focus of prominent project management guides is on change control..."

Previous research by the authors of this study suggested that project managers do not necessarily have the required competence to perform the full spectrum of activities required to promote and implement organizational change.

This finding provided the impetus for this research, results of which are based on a survey of 140 respondents, mainly from Australia. Of these, 56% work in project management roles, 26% in program management roles, and 18% in change management roles. In addition, just over a third (36%) work in the public or government sector, and almost two-thirds (64%) in the private sector. Finally, 60% of all respondents were employed in the finance and service sectors, while just over a third (36%) worked in companies that can be described as engineering firms.

■ FINDINGS AND PRACTICAL IMPLICATIONS

"The four most highly used sets of practices across the sample involve engagement with others to achieve results, including making informed decisions, building support, managing communications, and engaging stakeholders."

The results of this research confirm the association of PM practices with project success but the CSFs are those practices relating to change implementation.

"To increase the likelihood of success, practitioners should place particular emphasis on making informed decisions and ensuring business integration."

Nature and use of PM and change management practices

Overall, the level of use of all practices is high. The four most highly used sets of practices across the sample involve engagement with others to achieve results, including making informed decisions, building support, managing communications, and engaging stakeholders.

The next most frequently applied set of practices is central to current project management standards: namely, planning, monitoring and controlling, and managing across the project life cycle.

At a slightly lower level of usage, there are four sets of practices that may be considered central to the change implementation toolkit: planning and facilitating change, communicating change, preparing users, and ensuring integration with the business.

And finally, the three least used sets of practices relate to practice improvement, self-awareness and benefits realization.

Degree of organizational and behavioral change

As might be expected, change implementation practices and those practices common to both change implementation and project management are most extensively used on projects requiring higher degrees of organizational and behavioral change.

Public vs. private sector

In all cases, project, program, and change implementation practices are used more frequently in the private sector than in the public sector, with the exception being networking and relationship-related practices involved in building support for the project.

Management complexity

The dimension of project complexity that is most significantly related to the widest range of practices is "strategic importance". This suggests that the more strategically important the project is, the higher the level of both project management and change implementation practices that are likely to be applied.

Likelihood of project success

The results of this research confirm the association between use of all project and change management practices and project success. However, those practices identified as critical success factors (CSF) are those drawn from the change implementation toolkit, namely making informed decisions and ensuring business integration.

■ FINDINGS AND PRACTICAL IMPLICATIONS *(continued)*

Recommendations for practice

Project managers are embracing change implementation practices despite their absence from PM standards. To increase the likelihood of success, practitioners should place particular emphasis on making informed decisions and ensuring business integration.

Training, education, and development of project practitioners at all levels should go beyond the current PM standards and encompass introduction to and guidance in the use of change implementation practices. This supports the current emphasis on training and development in "soft skills."

Suggestions for Additions to Project Management Standards

A key finding of this research is that change implementation practices are used by practitioners, and should therefore be recognized in project management standards. The following change implementation practices have been identified in this study:

Critical Success Factors

- Facilitate Business Integration by considering business strategy, organization and culture, as well as coping with change.
- Make informed decisions with a holistic vision.

Practices already being widely used by project practitioners

- Build support by getting the confidence of key persons and networking.
- Engage stakeholders by creating a participatory environment and ensuring appropriate training plans for all stakeholders.
- Manage and adjust communications to the characteristics and needs of the audience.

Specific Change Implementation Practices being used by change and project practitioners

- Plan and Facilitate Change by applying change management.
- Give support and coaching to users according their needs.
- Communicate change.
- Demonstrate self-awareness acting as a model for others and seeking feedback.

■ FULL CITATION

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