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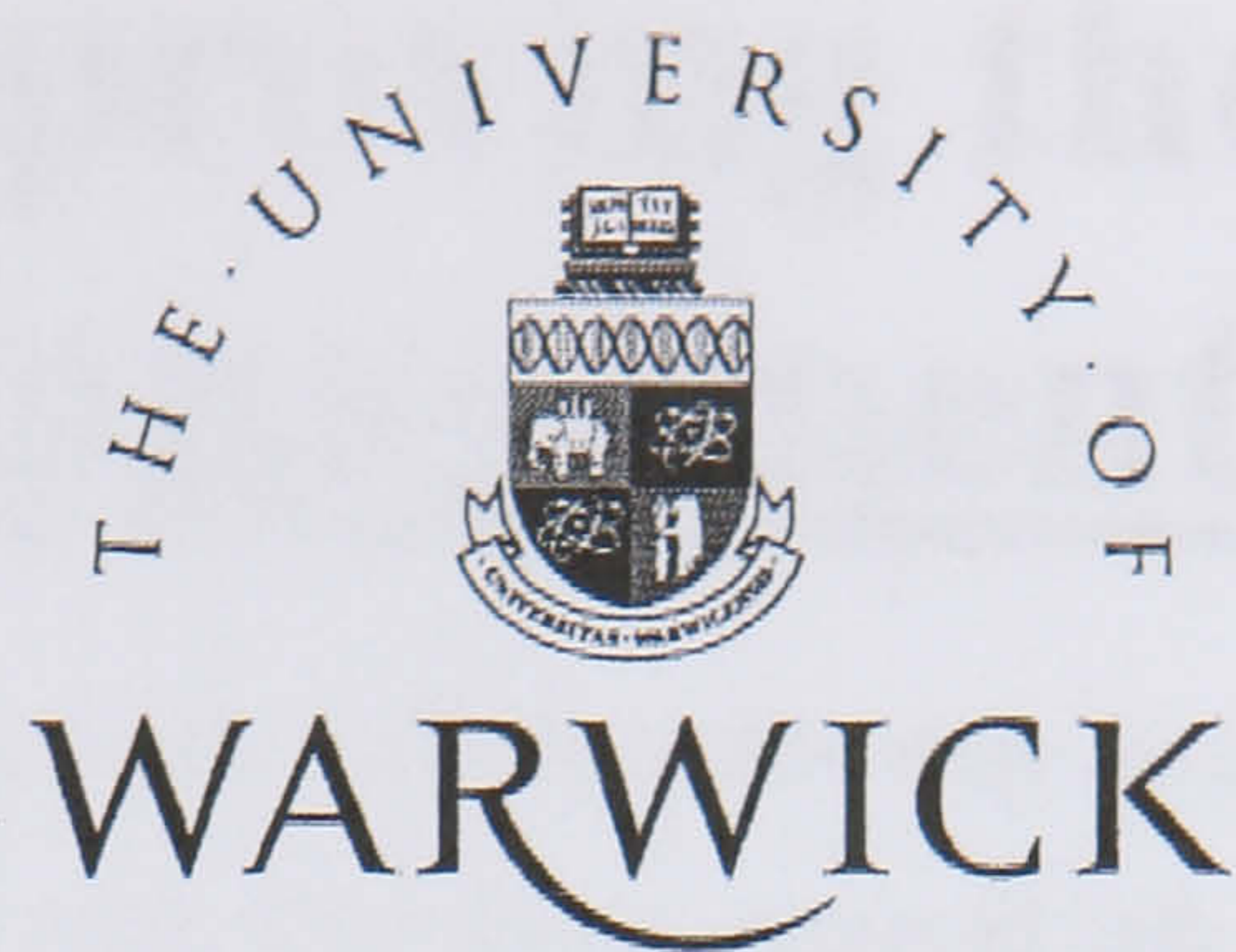
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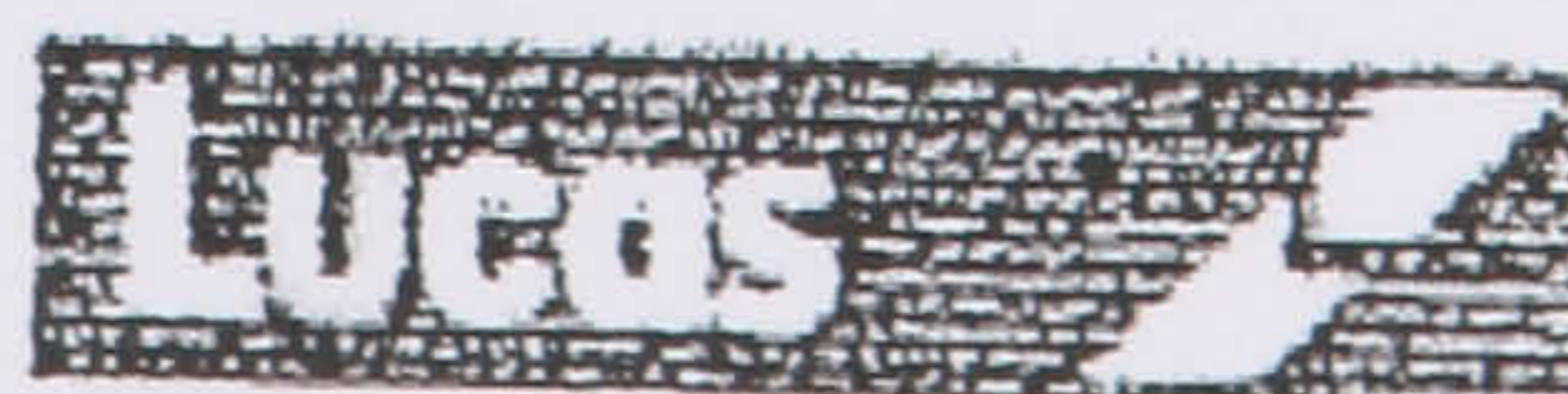


# Executive Summary

## Improving the Change Management Process

Angela Clarke  
June 1998

Academic Mentor: Dr. S. Manton  
Industrial Mentor: Mr. M. Gardiner





# Improving the Change Management Process

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As external factors increasingly influence the way businesses operate, companies have to be able to adapt in order to cope with these external influences. They have to become agile and responsive to change in order to gain a real competitive advantage. However, most companies believe that they are unable to achieve this to their satisfaction. One of the main reasons cited is their inability to manage change effectively.

The research summarised in this report identifies how the process of managing change can be facilitated and improved. It builds on the main concerns and issues identified in the change management literature and is supported with evidence from companies undergoing change. The research focuses, in particular, on best practice benchmarking, critical success factors for change, the role of corporate culture, understanding learning organisations and how to sustain change.

Based on these research areas, two major developments are proposed to help organisations to manage change more effectively. The first method focuses on a benchmarking tool for change management. Formed from the actual practices of organisations who have managed change effectively, the tool provides a quantifiable way for companies to measure and improve their performance in change management. Its successful implementation in a number of different applications and levels, as demonstrated in the research, suggests that it could provide significant benefits to any organisation undergoing change.

The second method focuses on sustaining long term successful change management, through more effective capture, sharing and transfer of knowledge within a company. This is known as corporate learning. A corporate learning framework, based on best practice, is proposed as a way forward for organisations to ensure that a holistic approach is taken when implementing corporate learning.

Used correctly, these innovative methods provide mechanisms which can help any company undergoing change to improve the way in which it manages that change.



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## ENGINEERING DOCTORATE PROGRAMME

### Submission of Work to the Portfolio

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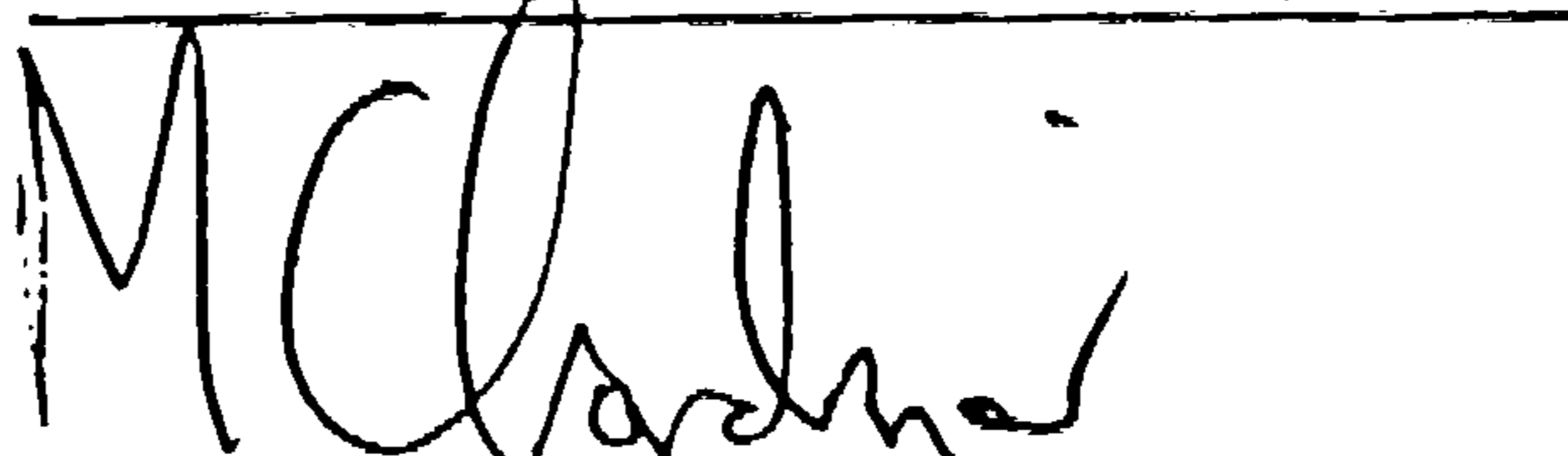
The attached document is submitted as part of my Engineering Doctorate Portfolio. Except where acknowledged it is my own work.

Signature: Angela Clarke

Date: 8th June 1998

I have read the attached work and agree to it being submitted towards the portfolio. Appropriate comments and/or caveats may be listed overleaf. I have made the Research Engineering aware of these.

Academic Mentor:  Date: 8.6.98.

Industrial Mentor:  Date: 14/6/98

This form and the document should be returned to Dr Kevin Nealey, Warwick Manufacturing Group, Department of Engineering, University of Warwick, Coventry CV4 7AL.



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# Chapter 1: Introduction

## 1.1 Reason for the Research

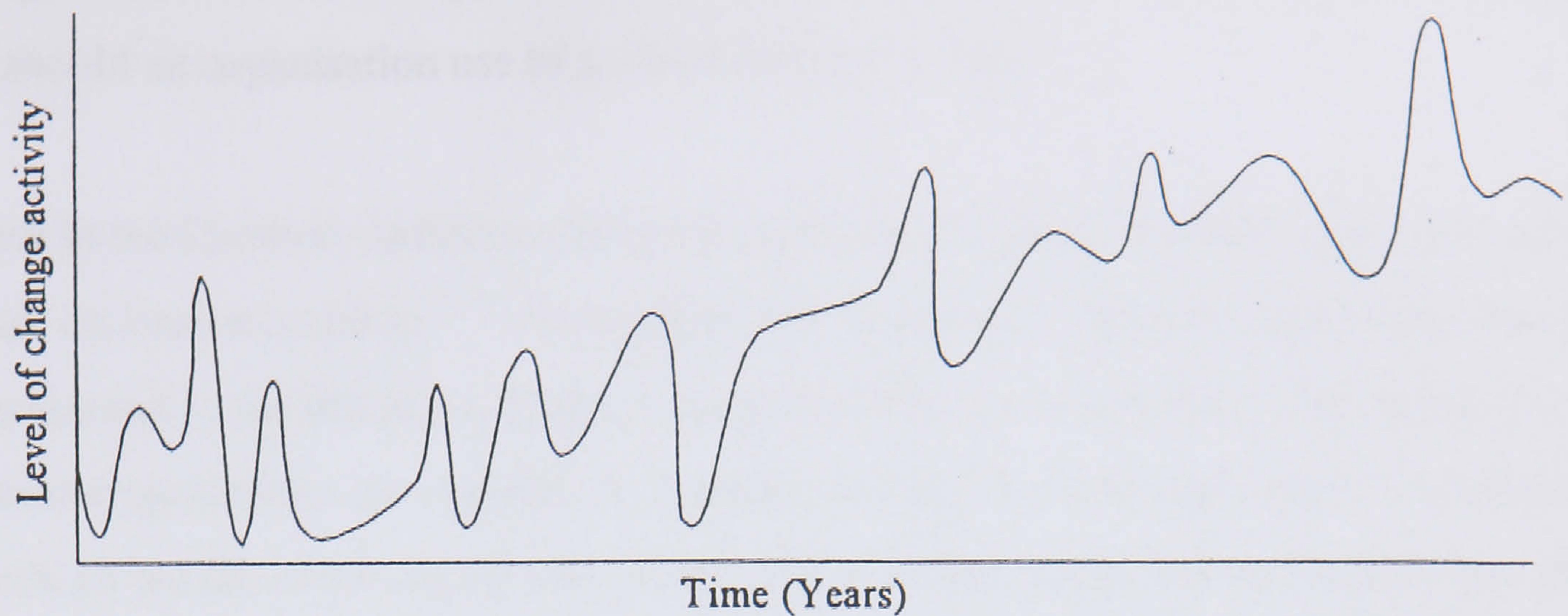
All organisations today face the need for radical change. Technology, global competition and the streamlining of organisational structures influence modern businesses on a world-wide scale. In addition, businesses are also having to face change at an unprecedented rate due to increasing demands from shareholders, customers, mergers, acquisitions and shifting government regulations.<sup>1</sup> The corporate survivors of the next century will be companies who have the ability to adapt to meet these external pressures.

A DTI survey<sup>2</sup> has shown that many companies recognise the need to stop looking inwardly and to become aware of the nature and extent of these external influences and pressures. They must think globally, expect more complexity and uncertainty in their business and aim for excellence.<sup>3</sup> Research shows that this requires both will and effort to transform not only their practices, but also their thinking and their beliefs.

Many companies are looking at radical, large scale change, such as re-engineering around business processes and implementing supply chain management as a way of helping them to achieve the necessary transformation. Managing such change has clearly become the theme for business in the 1990s.<sup>4</sup> More than 75% of European companies claim to have tackled at least one major change in the last five years<sup>5</sup> and many more believe that they will have to continue to do so, in order to survive into the next century.<sup>6</sup>

In an environment where change is now a permanent part of corporate life,<sup>7,8</sup> it is only by becoming more responsive to what Handy refers to as "discontinuous change",<sup>9</sup> (i.e. by becoming more agile), that organisations of the future will survive.<sup>10</sup> Figure 1 illustrates this. However, many organisations are ill-prepared to achieve real agility and, as a result, many fail to achieve their expected results. It has been shown by Hammer<sup>11</sup> that "*two thirds of organisations undertaking business process re-engineering do not achieve the dramatic results they intend.*"





*Figure 1: Change Activity in a Typical UK Manufacturing Company* <sup>(based on 5-8)</sup>

One of the main reasons for this 'failure' is that companies embarking on change do not manage that change effectively. A recent survey indicated that between 60% and 75% of UK companies rated their effectiveness in managing change in key areas as poor or inadequate.<sup>12</sup> They are missing the tools, the knowledge and the mechanisms to enable them to manage continuous change in an effective manner.<sup>13</sup>

However, there is a school of thought that supports the view that successful change management can be achieved through certain actions or by having a greater understanding of the factors influencing that process.<sup>14</sup> By taking some of the actions, understanding the main issues in change management and adopting suitable frameworks or strategies for change, companies become better equipped to manage change effectively.

A wealth of information is available on change management. Through initiatives of the 1980s, such as Total Quality Management (TQM) and Just-in Time (JIT), the literature on change management has increased over the last decade. The problem now is not where to find information on change management, but how to filter out the most useful information and which focus to take.

Many different approaches have been taken by management experts over the last few years. Some of these approaches are specific, such as the development of individual potential and the learning approach of Argyris<sup>15</sup> and Senge<sup>16</sup> and the empowerment of individuals ideas of Moss Kanter.<sup>17</sup> Other authors such as Peters,<sup>18</sup> Handy,<sup>19</sup> Hammer & Champy<sup>20</sup> and Drucker<sup>21</sup> take



a more general, broad-brush approach to change management. The question is which of these, if any, should an organisation use to guide it through change?

Evidence in the literature indicates that many companies favour a practical approach with emphasis on implementation.<sup>22,23</sup> They prefer help or advice in the practical implementation of ideas presented in the literature. Lindsey summarises this by saying that “..*theoretically sound yet practical guidelines are required to evaluate and guide implementation.*”<sup>22</sup> Unfortunately, with such an wealth of information on change management, organisations do not have time to be able to filter out the information that is most useful to them. What is required is the right information and for the right people to have access to that information.<sup>24</sup> This will help ensure that valuable time is not wasted.

## 1.2 Objectives

This EngD portfolio, entitled *Improving the Change Management Process*, has looked at how organisations facing radical change can manage the process of change with maximum effectiveness. As a major objective of the Engineering Doctorate (EngD) is to demonstrate innovation in the application of knowledge to the engineering business, the research then focused on how, practically, organisations can manage change more effectively.

Specific objectives were to:

- Determine the main issues in the management of change.
- Identify the key areas to focus on for improving the change management process.
- Develop and implement practical methods that could help companies to improve the way in which they manage change.

## 1.3 Scope of the Research

Considerable research has been carried out over the last few years on the importance of individuals in the organisation in helping to achieve and sustain organisational change. New fields of research are available to help organisations deal with this. For example, Neuro Linguistic Programming (NLP) has undergone significant development over the last few years.



It can be used to create capabilities in people, with the belief that changing the attitudes and behaviours of individuals is key to achieving successful change.<sup>25</sup>

Whilst there is considerable evidence in the literature to support the need to create capabilities in people,<sup>26,27</sup> more strategic, corporate issues that affect change must also be considered.

Without the right infrastructure and processes to manage change across the organisation, change made at an individual level may have little influence on the organisation as a whole.<sup>28</sup>

Consequently, there is also a need to look at the factors influencing change at a corporate level and the practices that can be adopted to ensure that change is successful. It is these corporate change management issues that are considered in this portfolio.

For the purposes of this portfolio, change management includes all activities associated with planning and implementing change as well as those that ensure that the change is sustained in an organisation. It can be regarded as a process, like any other, i.e. it is "*..a group of related tasks that together create value for a customer*".<sup>29</sup> Referring to change management as a process helps to focus attention on the objectives and the final outcomes, rather than the tasks and activities.<sup>29</sup>

This portfolio looks broadly across the whole change management process, rather than at a specific area of change management, in order to identify gaps in the literature or areas in the literature where further development is required.

Change is usually referred to in the literature as either incremental, such as continuous improvement or else it is large scale, radical step change, such as re-engineering or re-design.<sup>30</sup>

Within the context of this portfolio, change management is used to describe the management of all activities relating to large scale radical change, although incremental change is also referred to, where relevant.



# **Chapter 2: Portfolio Structure**

This chapter outlines how the Portfolio is structured. It provides details of the content and importance of each of the reports and papers contained within the Portfolio and also of how they relate to one another.

In order to meet the objectives described in the previous chapter, a portfolio of documents, relating to aspects of this research into change management, has been collated. The documents in the Portfolio, fall into one of four groups:

- Executive Summary and Personal Profile
- Project Reports
- Supporting Papers and Reports
- Postmodule Assignments.

Figure 2, a summary of the structure of the Portfolio, illustrates how they relate to one another. From an understanding of the current thinking and the need for change, two main themes emerge. These are concerned with the development of a tool to help organisations to manage change more effectively and the role of corporate learning in helping achieve effective change management.

## **2.1 Recommended Reading Order**

Following completion of this document, the Executive Summary, it is recommended that the remaining documents be read in the order described in Section 2.2 and described by the numbering system shown in Figure 2. Where appropriate, supporting papers and reports should be read together with their associated project report. For example, Paper 3a should be read with Project Report 3.

The relevance of each of the documents to the overall research is not the same in each case. Some (designated with \*) are more important and, therefore, should be read in more detail.



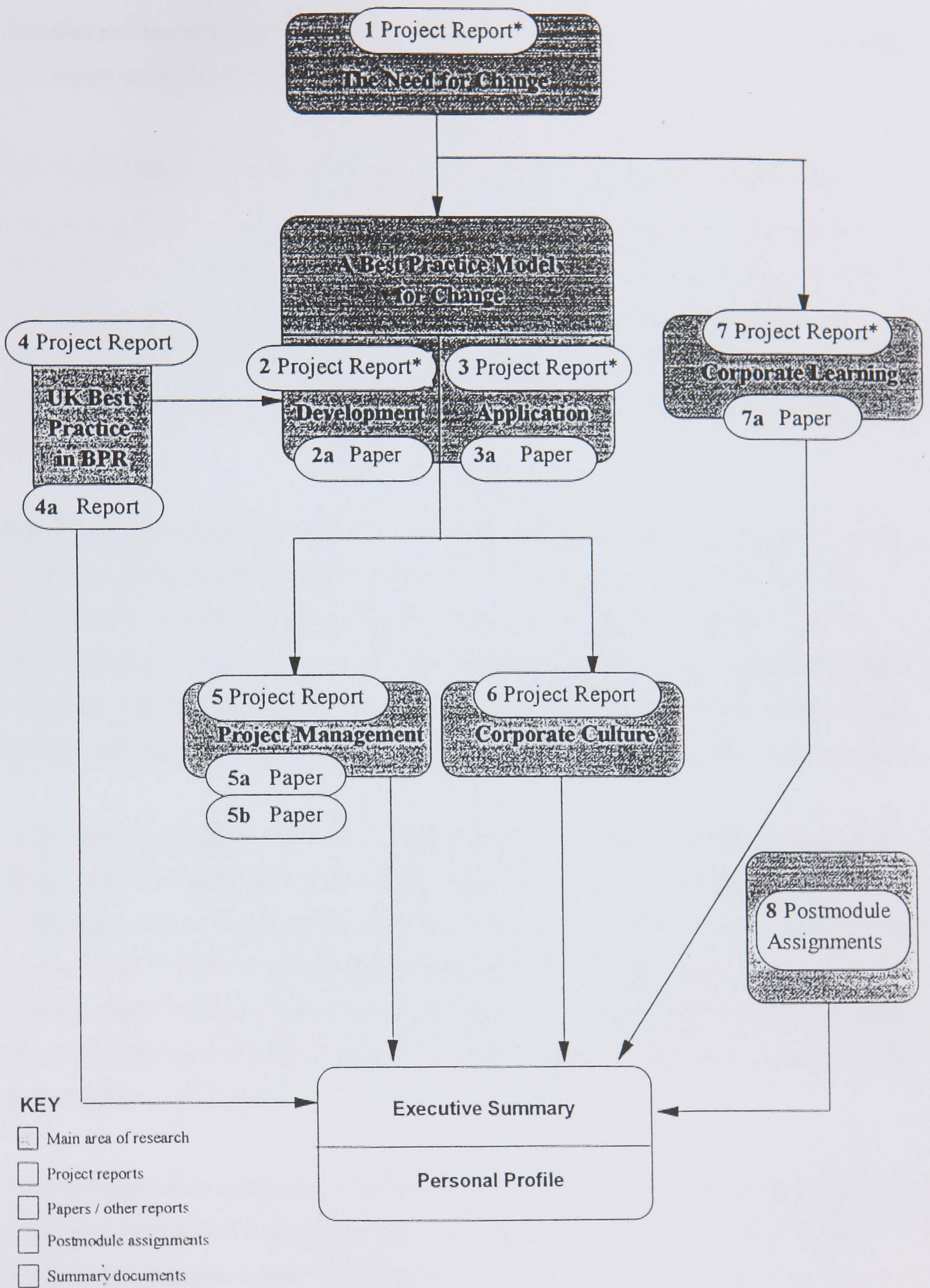


Figure 2: Structure of the Portfolio



## 2.2 Summary of the Reports

### 1. **Project Report: The Need for Change \*** (January 1996)

This report introduces the concept of change management. It examines the need for organisations to be able to manage change effectively in order to cope with increasing influences from the external environment. Based on a literature review of current thinking in change management and supported by 'real' examples from a case study company, the main issues facing organisations undergoing change are identified. This sets the scene for the remainder of the research that focuses on addressing these issues.

### 2. **Project Report: Development of a Best Practice Model for Change \***(April 1996)

This report is concerned with the development of a benchmarking tool, *A Best Practice Model for Change*. Developed from a combination of existing strategic business tools, it provides a quantitative method for companies to measure and improve their performance in change management.

This report, in conjunction with Report (no.3) forms the most important part of the research. A paper (2a) bearing the same name and summarising the development and proposed use of the tool, has been published in the European Management Journal in October 1997.

### 3. **Project Report: Application of a Best Practice Model for Change \***(August 1997)

Having developed the *Best Practice Model for Change*, this report is concerned with its application in practice. The successful application of the tool at a number of levels and areas within a case study company is demonstrated. The implications of using the tool, on a regular basis, to help achieve effective change are discussed.

A paper (3a) entitled, *A Benchmarking Tool for Change Management*, based on the potential application and benefits of using this tool, was published in the Business Process Management Journal in December 1997.



#### **4. Project Report: Change Management - Lessons Learned from UK Best Practice BPR (January 1997)**

As part of a detailed DTI funded study into Business Process Re-engineering (BPR), this report validates the Best Practice Model for Change. It does this by demonstrating that many of the principles on which the model is based are equally applicable to generic change or a detailed change such as BPR.

A report (4a) on UK Best Practice in BPR was produced for the Society of British Aerospace Companies (SBAC), who commissioned the survey in September 1995. The results were presented at a one day SBAC conference in October 1996.

#### **5. Project Report: The Identification and Application of Key Success Factors in the Project Management of Change (March 1997)**

This report further develops one of the key success factors in the Best Practice Model for Change - tools & methodology. Based on a survey of a number of companies involved in change projects, this report identifies the main factors influencing successful project management - one of the most commonly used tools for managing change. It then demonstrates how focusing on these key factors can help overcome typical problems to be overcome or minimised.

A paper (5a), entitled the *Key Success Factors in Project Management*, detailing the survey, was presented at a Teaching Company seminar in December 1995. A further paper (5b), entitled *A Practical Use of Key Success Factors to Improve the Project Management of Change*, was submitted to the International Journal of Project Management in March 1998.

#### **6. Project Report: Corporate Culture. What it is and how to change it (November 1997)**

This report is concerned with the expansion of another of the key success factors identified in the Best Practice model for Change, Social & Cultural Issues. Regarded by many as fundamental to achieving successful change, this report examines the nature of "corporate culture". The factors important in corporate culture are addressed and guidelines for helping to achieve a successful corporate culture change are developed.



## **7. Project Report: Corporate Learning \* (December 1997)**

As a means of sustaining long term success in change management, the issue of corporate learning needs to be addressed. In the context of this research, it is essentially the means by which knowledge is captured, shared and transferred within an organisation. This report explores the various practical mechanisms for corporate learning that are identified in the literature and have been successful in other organisations. A corporate learning framework that takes a holistic approach to corporate learning, rather than the more usual 'piecemeal' approach is offered. Mechanisms and an approach for ensuring effective corporate learning within an organisation are also suggested.

A paper (7a) entitled *the Business Benefits of Corporate Learning* was published in the Manufacturing Engineer journal in June 1998. This paper focuses on the non-financial and financial benefits associated with a holistic approach to corporate learning as a first step to helping companies to recognise its importance to a business

## **8. Postmodule assignments**

In addition to the reports described, a number of short post-module assignments have also been added to the Portfolio. These are listed below:

- Management of Change
- Collaboration & Contract Management
- Innovation Strategy
- Financial Decision Making
- Business Environment and Economics
- Improving Personal Performance.

Although these post-module assignments generally stand alone, most have links or direct input to one or more of the other project areas investigated in this portfolio of work.

## **9. Personal Profile**

This report looks at how the sources of learning in the Engineering Doctorate have helped the Research Engineer to develop. It demonstrates how a number of required competencies have been met throughout the research.



# **Chapter 3: Research Methodology**

This chapter describes the main research methods used. It summarises the qualitative and quantitative methods used for each of the main projects. It elaborates further on the use of a case study company, the selection of companies for the best practice studies and the holistic approach taken in the research.

## **3.1 General**

Change management issues have been addressed in a number of ways in this portfolio. A combination of research methods and techniques have been used to develop, investigate and to 'test' the application of various elements of change management. These methods and techniques are summarised in Table 1.

A combination of qualitative and quantitative methods is the most commonly used approach for studying a new or little investigated phenomenon concerning organisations, groups and individuals in a business environment.<sup>31-33</sup> Often referred to as a triangulated approach, this type of analysis ensures that the issues are adequately explored when time and resources are limited.<sup>31</sup> It aims to provide breadth of coverage rather than depth. This approach has been used by a number of researchers for investigating change management phenomena although many different combinations of methods are used.<sup>33,34</sup> For example, Beer and Eisenstat used a combination of content analysis, interviews, questionnaires and participant observation in their change management research.<sup>33</sup> Buchanan, however, contends that a case study approach for studies concerning organizational change and project management issues is the most appropriate.<sup>34</sup>

In this research, a multi-method approach has been taken. Although mostly qualitative methods (in the form of questionnaires and interviews) were employed, a number of more numerical methods such as content analysis and significance testing were also used, where appropriate.



Report no.	Report title	Qualitative					Quantitative
		Literature review	Case study		Discusson/ Exploratory interview	Observation	
1	The Need for Change	Literature review	Case study		Discusson/ Exploratory interview	Observation	
2	Development of a Best Practice Model for Change	Literature review		Structured questionnaire	Exploratory interview		
3	Application of the Best Practice Model for Change		Case study		Discussion		Significance testing
4	Change Management - Lessons Learned from BPR	Literature review		Structured questionnaire/ Interview			Content analysis
5	Identification & Application of Key Success Factors in Project Management	Literature review	Case study	Structured questionnaire/ Interview			Pareto analysis
6	Corporate Culture: What it is and how to change it	Literature review	Case study	Structured questionnaire/ Interview	Discussion/ Exploratory interview		
7	Corporate Learning	Literature review				Observation	

*Table 1: Summary of the Research Methods Used in the Portfolio*

### 3.2 Use of a Case Study Company

The case study company, referred to in this research, is a multi-national aerospace engineering manufacturer that has been undergoing large scale change for a number of years. In recognising that it was no longer competitive in either domestic or overseas markets, the company introduced the concept of step change to regain competitive advantage. However, in order to gain advantage in an increasingly competitive market, the company believes it needs to add more value to its change management process, i.e. concentrate on those parts of the process that will help it to gain the maximum benefit from change.

Typical issues or problems in change management have been identified through exploratory research within the case study company and also as the result of a review of current thinking and practices in the change management literature. The research has also drawn upon the experiences of the case study company or else it looked at the application of possible methodologies or tools for improving change management in the context of the company. The aim was to show that the theories or ideas developed in the literature, have a practical relevance to industry. This was based on the underlying belief that many of the issues



identified and conclusions made for the case study company are transferable, i.e. they can be read across to any business involved in change.<sup>35</sup>

### 3.3 Selection of Companies for 'Best Practice' Studies

There is a great deal of debate on which companies should be selected for a best practice investigation. One school of thought is that top performing businesses, such as those in the FTSE 100 ought to be selected because they have demonstrated financial success.<sup>36</sup> A number of guides to top performing companies are available - usually based on consultant's opinions - with information on various aspects of their performance, including growth and profit.<sup>37</sup>

Financial performance alone, however, is not necessarily an indication of a company's ability to manage change. Companies who operate in a non-competitive environment may thrive financially but may not undergo any significant change. The cost-plus environment of the defence industry in the 1970s and early 1980s demonstrated this. Other companies may thrive for reasons such as exchange rate fluctuations, the collapse of others in their industry or their ability to play the money markets rather than because they have become agile and competitive.

Conversely, there may be a number of companies who have made significant and successful change only to be acquired in a hostile take-over. If their success is then diluted by the performance of a potentially mediocre parent, their good practices in change management may go unnoticed. Visibility also plays an important part in being recognised as a best practice company. Many smaller or medium enterprises who have made significant progress in change may be ignored in the National Press because they are relatively insignificant, compared with the UK industry as a whole.

The main conclusion is that there is unlikely to be one overall best practice company. Many researchers believe that finding a best practice company is not even necessary.<sup>38</sup> Similarly, Wiarda and Luria believe that "*the quest for an all-round best practice partner is likely to be a misguided waste of time.*"<sup>39</sup> They, like many others believe that the selection of companies for best practice investigations is likely to be based on a number of more practical factors.<sup>39</sup>



This approach and philosophy was used in the best practice surveys carried out in this research. Companies regarded by others working in that field as 'successful', either through personal contacts or through the publication of these successes in the literature, were selected. However, involvement of the participants in the study, based upon availability and their willingness to participate in the study, also played an important part.

### **3.4 A Holistic Approach**

The need to take a holistic approach to change management is becoming increasingly recognised, as the recent work of Coulson -Thomas <sup>40</sup> and Davenport <sup>41</sup> on organisational change indicates. The holistic or systems approach, provides a big picture view of a particular issue. <sup>41,42</sup> As well as an understanding of the elements that make up the 'system', it also considers the way they affect one another and how they operate toward a common purpose. <sup>43</sup>

A common consequence of making improvements to a complex system is that some parts may develop at the expense of others, resulting in an imbalance to the system. Consequently, the overall success of that system will be limited. Taking a holistic approach, however, means being aware of where the strengths and weaknesses in the system are and taking action to specifically address these poorer areas so that it remains balanced. It was this balanced and holistic approach that was achieved in this research.



# **Chapter 4: The Research**

This chapter looks in detail at the research contained within the portfolio. Once the scope of the research was established and a clearer understanding made of the term 'change management process', a number of areas were identified as critical for achieving successful change. Each of these areas was explored further. A description of each of these areas of research, together with the main conclusions and innovations that arose from the work, is detailed in this chapter.

## **4.1 Review of Current Thinking in Change Management**

From a literature review of current thinking in change management, a number of inter-related topics were found to be critical to achieving successful change - best practice benchmarking; focus on critical factors; culture change; learning organisations and sustainability. These topics were either identified as 'gaps' in the knowledge that needed to be bridged or else they were identified as topics that should be addressed and developed further in order to achieve successful change.

### **4.1.1 Best Practice Benchmarking**

Best practice benchmarking is an approach used for evaluating and improving an organisation's performance, by comparing its performance with that of other organisations.<sup>44</sup> Benchmarking gives an insight into new improvement opportunities and can be used by any organisation. Benchmarking involves studying the processes and practices of other organisations and then trying to modify one's own process accordingly. It requires an adaption rather than adoption of the processes and methods of these best performing companies.<sup>44</sup> Furthermore, it was established that any organisation could be used in a benchmarking exercise. Benchmarking was not confined just to companies believed to be best practice.<sup>45</sup>

### **4.1.2 Focus on Critical Factors**

Whilst there is no one right way of bringing about change, it is possible to establish a number of critical success factors that drive the change. This is based on the principle that for any



change management programme to succeed, the focus must be on a number of critical success factors. The issue of identifying and focusing on the critical or core issues or success factors in business is well known and has been given considerable attention in the literature. <sup>47,48</sup>

### **4.1.3 Corporate Culture**

In order to achieve a significant and lasting transformation, everything about the organisation must change, including the culture.<sup>49</sup> It is widely believed that when it comes to organisational change, people are the key to success, yet they are also the greatest stumbling block <sup>50</sup> A survey in 1996 revealed that the majority of organisations so far have not been successful in generating a culture that supports change although they recognise that the generation of such as culture is of crucial importance.<sup>51</sup> In fact, research consistently indicates that the corporate culture is one of the biggest factors influencing the ease with which change can be introduced in an organisation.<sup>49,51</sup>

### **4.1.4 Learning Organisations**

The importance of learning as a means of improving the capabilities of individuals in an organisation and the ability of an organisation collectively to adapt and become more competitive is well documented in the literature. The success of learning organisations in managing change effectively has also been widely published. <sup>15,16,52</sup>

### **4.1.5 Sustainability**

The importance of sustainability to institutionalising any new way of working has been addressed in the literature. No matter how much time and effort is spent on implementing change, maximum effectiveness will not be achieved if actions are not taken to institutionalise or sustain the change. In order for change management to work effectively in any organisation, mechanisms to ensure that it is sustained need to be addressed. Dove identified the importance of this when he described the need to ensure that a '*sustainable proficiency*' was taken into account in making any change. <sup>53</sup>



### 4.1.6 Development of Key Issues Within This Research

Section 3 described the need and the benefits of taking a holistic and practical approach to change management. None of the topics described above can be viewed in isolation from the others. There is a need to ensure that, as well as addressing each of these issues when developing practical methods for improving the management of change in organisations, their interactions are also considered.

Some of the key issues are developed explicitly in the two main areas of innovation in this research, a Best Practice Model for Change and a Framework for Corporate Learning. Others were developed more implicitly throughout the research. Figure 3 illustrates how they fit together and contribute to the main areas of innovation.

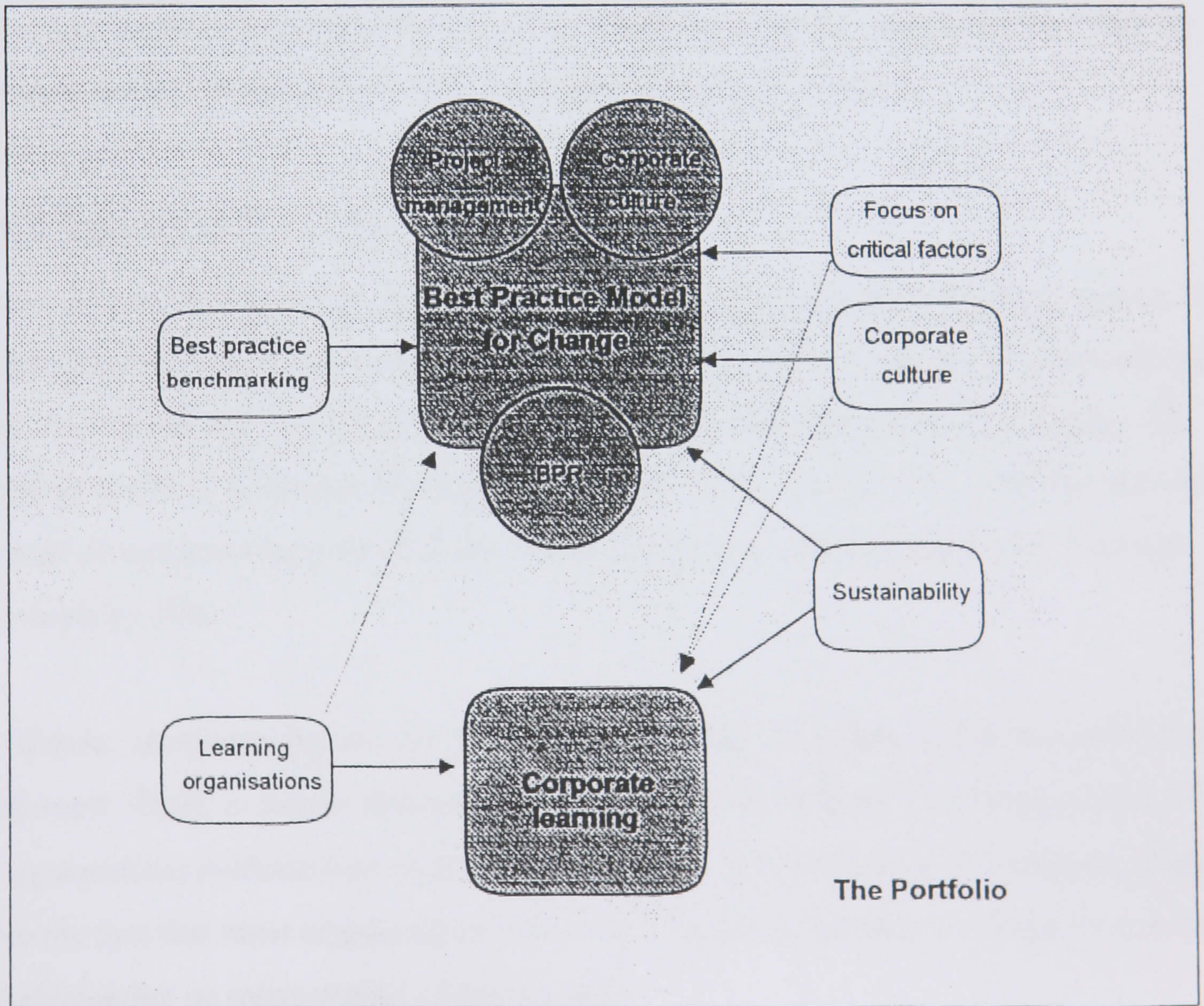


Figure 3: Inter-Relationship of the Main Issues Within the Portfolio



## 4.2 Innovation in the Research (1): A Benchmarking Tool for Change Management

A number of tools and methods have been used to make significant business improvement in industry. For example, TQM tools such as problem analysis and process mapping.<sup>54</sup> McKinsey & Co. proposed the use of tools for business improvement in 1980.<sup>55</sup> Nevertheless, tools need to be appropriate for the application. They must be able to provide reliable and consistent information that can be used directly or indirectly to make improvements. For example, employee surveys, focus groups and interviews are regarded as suitable tools for measuring the adoption of quality values<sup>56</sup>

It is commonly believed that “..*what you measure is what you get*”.<sup>18,57</sup> This view is supported by the work of Struebing who proved that companies who did not effectively measure themselves, showed little improvement.<sup>58</sup> However, it is not enough just to measure and monitor performance. As well as knowing that things are on track, companies also need to know what can be achieved. They need to have clear targets to aim for.

### 4.2.1 Limitations of Existing Tools

A variety of tools and methodologies for measuring and improving business performance have been developed over the last decade. One that has been accredited with much success is best practice benchmarking. Best practice benchmarking has radically improved processes with astounding results in a number of companies.<sup>59,60</sup> Rover, for example, has halved its test time as a result of benchmarking with Honda.<sup>61</sup> Xerox reduced machining defects by 90% and labour costs by 30%.<sup>61</sup>

Nevertheless, benchmarking has not been used specifically to compare performance in change management. There is also an absence of other quantitative methods or techniques that will help organisations evaluate how well they are planning, implementing and sustaining change, despite the fact that most organisations today are undergoing significant change, by a process of re-engineering or restructuring of the business.

Although benchmarking, as a practice, is well established for many business processes, nothing exists to specifically support the process of managing change. A number of strategic business



development tools exist, for example SWOT analysis, PEST, and 5 forces analysis and these have shown success in various applications. Many operational tools are also available to help with specific aspects of change management, for example, process mapping, attitude surveys and project management methods.<sup>62</sup> However, no tool exists that allows organisations to measure their performance in change management.

Since the development of the research in this portfolio, a number of change management tools have become available to help companies to manage change more effectively. For example, the *BTR Interchange* system provides guidance, best practice information and case studies that help other parts of the organisation to manage the overall change process.<sup>63</sup> Despite its benefits, though, this system does not provide a quantifiable means for a company nor any part of an organisation to benchmark and evaluate its performance in change management.

Another tool that has recently been developed is the 'Change Wheel'.<sup>64</sup> This tool provides an integrated and holistic approach to change management. Furthermore, it contains practical guidelines for implementing change.<sup>64</sup> Its weakness, however, is that it too does not provide a mechanism for assessing current and future performance in change management.

Clearly, there is a need to provide a way for organisations not just to have access to previous history on change management but to be able also to measure their performance in change management, so that they can determine the success of changes being introduced.

#### **4.2.2 Evaluating the Success of a Tool**

One of the main aims of a benchmarking tool is to help organisations undergoing change to monitor how well they are planning, implementing and sustaining change. It follows, therefore, that its success will be demonstrated through visible and measurable improvements in the change process. Furthermore, its success should be capable of being evaluated at the level at which the tool is being used. For example, a tool used at a detailed operational level such as re-organisation of a department should not only be measurable at a strategic business level but also at a department level.



### 4.2.3 Development of the Tool

In order to fulfill these identified needs, a tool - *A Best Practice Model for Change* - has been developed. Formed from the actual practices, methods and actions of organisations who have successfully managed change, it allows organisations to measure their 'maturity' in change management and to benchmark themselves against previous performance, against other parts of the organisation or against other companies. The tool itself was formed from a number of business development tools, including a process / key success factor matrix used for directing quality improvements in IBM.<sup>48</sup>

The matrix, developed in this research, is based on the premise that the success of any change is influenced by a number of critical or key success factors. By concentrating on these key factors, successful change is more likely.<sup>65</sup> Juran stated it as "*separating out the important few from the trivial many*".<sup>66</sup> The Best Practice Model for Change links five key success factors with the change process, as illustrated in Figure 4. Details of how these five factors were chosen is outlined in Project Report no.2.

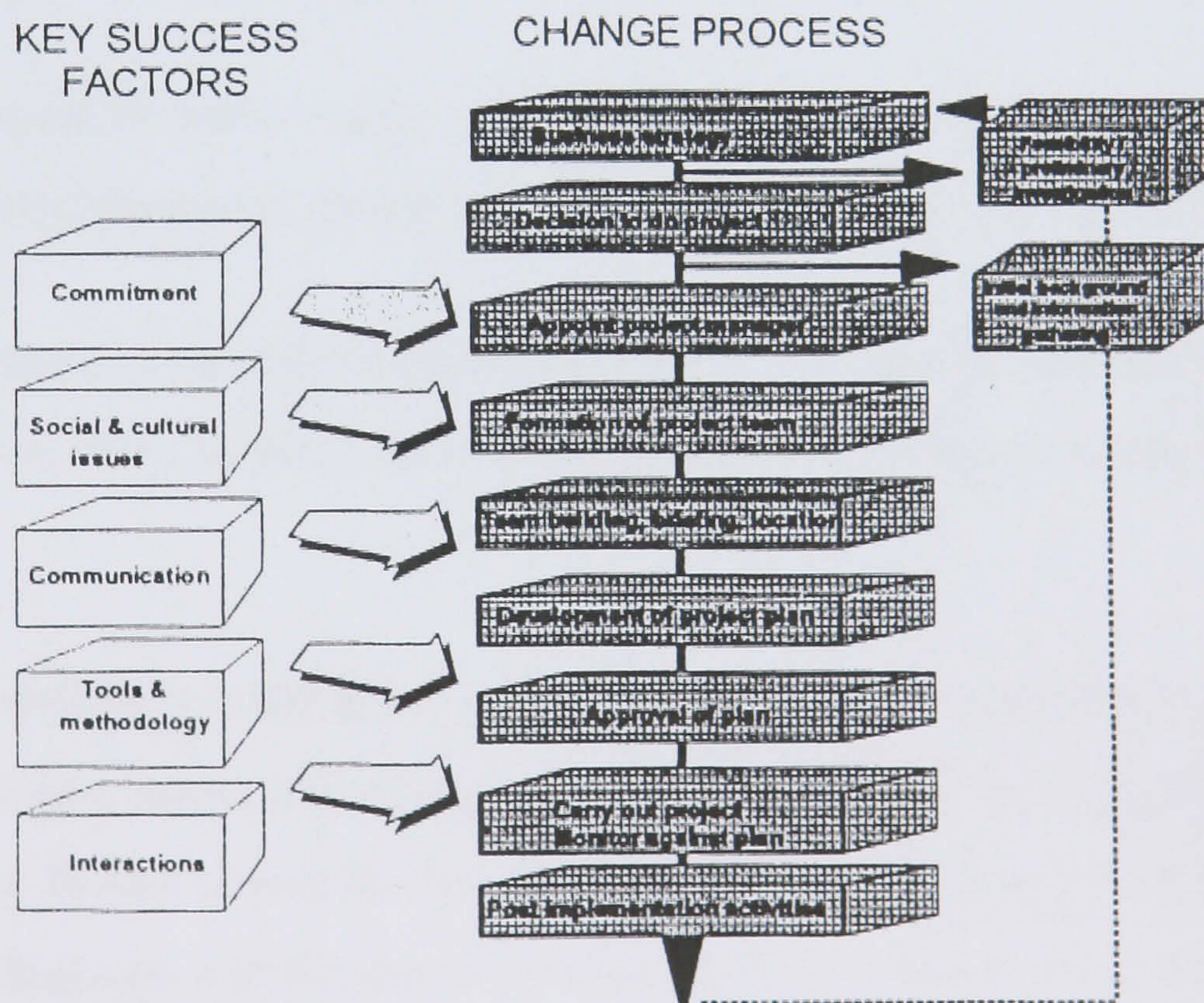


Figure 4: Key Success Factors in the Best Practice Model for Change



From a comprehensive literature review of the important factors influencing change management, 11 clear 'categories' became evident. These were: commitment, leadership, involvement, continuous improvement, communication, culture, behaviour and attitudes, project management, education and awareness, teamwork and interactions with other activities. Further analysis of these 11 categories concluded that a number of the factors cited in the literature as critical for successful change, could be regarded as sub-sets of one or more of a smaller number of categories. For example, leadership was cited by a number of people as critical for the success of change.<sup>67,68</sup> However, it can be regarded as a sub-set of commitment, communication.<sup>67,69</sup> With the aid of a small focus group of change managers within the case study company, a consensus on 5 critical or key success factors was agreed.

These factors are:

- **commitment** - includes recognising change as an integral part of the business strategy, strength of ownership throughout the organisation but, in particular, senior management level. This ranges from providing adequate resources to allow the project to run effectively through to ensuring that there is adequate involvement of people at all levels in the organisation at all stages throughout the project's lifetime.
- **social & cultural factors** - mainly concerned with the 'people' element of change, i.e. issues involving behaviour, perceptions and attitudes towards all aspects of change.
- **communication** - covers all the issues associated with internal and external communication. This includes timing, methods for communication and the content of the message.
- **tools & methodology** - concerned with the use of project management methodology (including project teams and project managers), benchmarking, performance and process measurement. It also covers the underlying knowledge requirements that ensure changes take place effectively and the use of external input and training to facilitate this.
- **interactions** - looking at the methods in place for dealing with interactions within the organisation such as managing the balance between normal operations and other changes that may be happening in the organisation.



### 4.2.3.1 How the Best Practice Model for Change is Used

A method for using the model is shown in Figure 5. Firstly, a business carries out an audit, using the maturity matrix in Table 2, to obtain a score or rating. Maturity matrices have been used previously in a number of business improvement applications similar to this, where quantitative information is limited.<sup>70</sup> It provides a valuable first step to understanding and measuring performance in change management, without the need for a detailed questionnaire. It also offers a means for organisations to understand the levels of maturity in change management that can be achieved and to assess where they are on the scale.

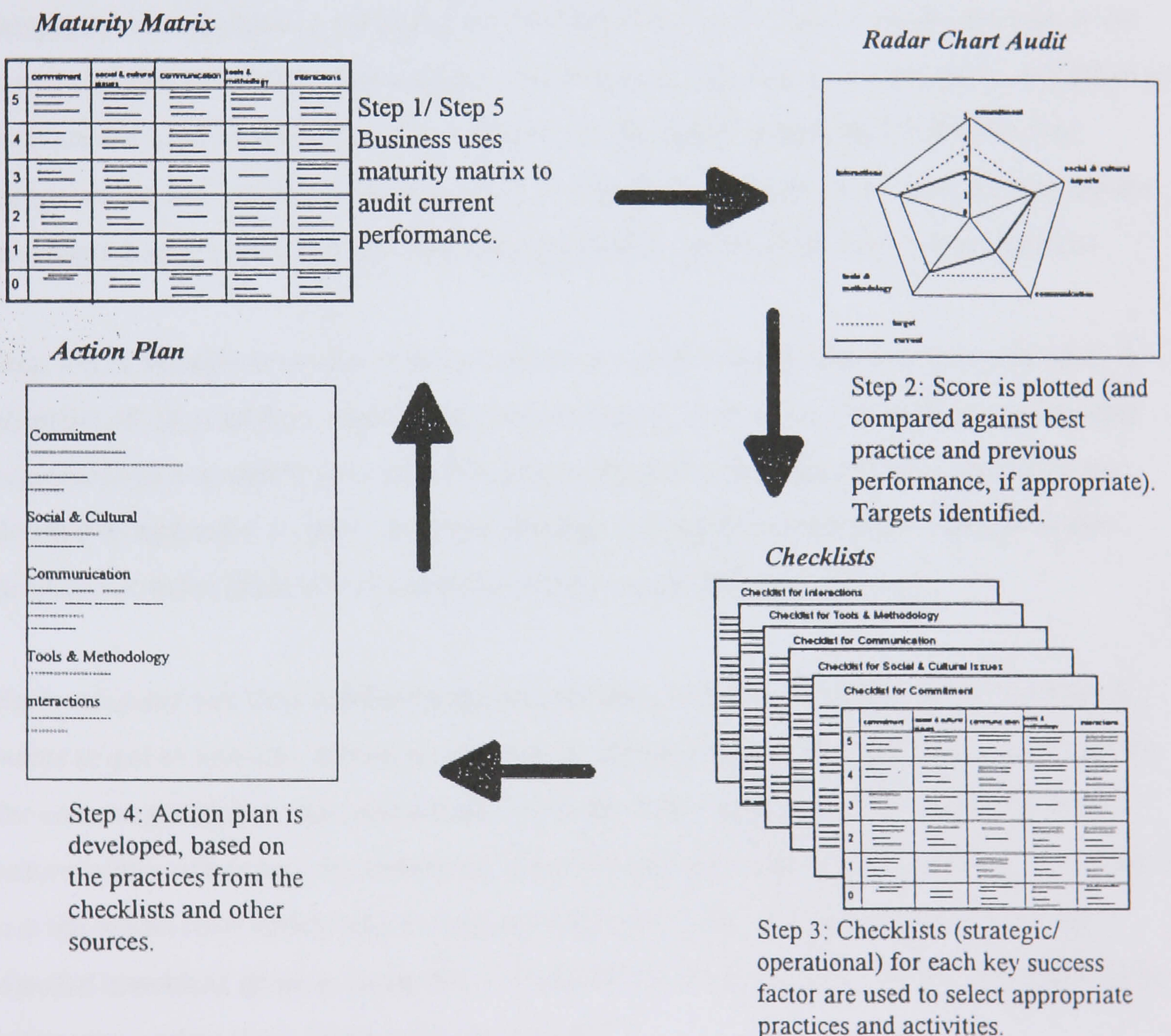


Figure 5: A Method for Using the Best Practice Model for Change



In step 2, the results from the audit are plotted on a 5 axis radar chart. Previous performance or the performance of other businesses may also be plotted on the chart at this stage. A target score is then plotted on the same chart. This target should stretch the organisation but be achievable. Whilst ultimately, a score of 5 across all categories is ideal, it would not be realistic for a relatively immature organisation, i.e. low scoring on the maturity matrix, to aim for this in the first instance.

There is also a need to take a holistic approach to ensure that one of these key success factors does not develop at the expense of the others. A balance must be achieved across all categories. For example, a company may become proficient in tools & methodologies at the expense of the social and cultural issues, resulting in an imbalance. Consequently, any effort to improve the tools & methodologies will provide only marginal benefits if the other four categories do not mature to the same level. Hence, the overall aim is to become more mature in change management, through maintaining a balance across all five key success factors.

Step 3 is to identify areas where improvements are most needed, based on the radar plot. A checklist of the practices, methods and actions known to achieve successful change in other organisations is available for each of the key categories in the model. These checklists are detailed in Appendix 1. Step 4 involves drawing up a priority action plan, based on these practices or more likely on the company's own recognised best practices.

Each company will have a different starting position, a different target in terms of where it wants to get to and also in how it intends to go about achieving its objectives. What works for some organisations may not actually work for others because of the differences in the nature of the companies, the industries, their environment, cultures and histories.<sup>71</sup> In order to use the model most effectively, a company may have to select 'best' practices from the detailed checklists given in Appendix 1. It should also be prepared to modify the practices in some way - adapt them rather than adopt them.<sup>65,72</sup>

The model can be applied at several levels within an organisation: Firstly, it can be used corporately to help identify, plan and monitor longer term strategic actions. It can also be used to help the business analyse strengths and weaknesses in change management and focus on



Level	Commitment	Social & Cultural Issues	Communication	Methods	Interactions
5	<b>Full &amp; visible commitment</b> visible commitment from top and throughout the company at all stages of project - including post-implementation; everyone in the organisation buys in to the change	<b>Culture that is fully committed to change</b> those affected by change are involved from start and throughout; change seen as vital to the business; people issues are addressed throughout the project; impact of the change on individuals fully addressed; team works well together & team spirit is excellent	<b>Excellent communication</b> everyone in organisation (including customers and suppliers) understands need for change, what is being done throughout the change, throughout the project to post-implementation and the impact the change will have on the business	<b>Always used</b> project management is used well & consistently throughout; everyone in team understands and can use it; benchmarking is always carried out; multi-disciplinary co-located project team with full time project manager; training identified and given before project starts and throughout the project	<b>Excellent management of interactions</b> change is part of the business plan; senior person in the business full-time on change management; good balance of long and short term change projects; good balance of operational work and change projects; resource management good
4	<b>Good commitment but inconsistent or absent at times</b> clear direction from steering committee; clear ownership of tasks; all those impacted by the change are involved right from the start and throughout the project; virtually everyone across company buys into the change	<b>Culture that readily accepts change</b> most of those affected by change are involved from start and throughout; most people consider the change worthwhile; people issues are usually addressed; impact of the change on individuals widely understood; team works well most of the time & team spirit is good	<b>Very good communication</b> most people in the organisation at all levels understand the need for the change, what the changes are and how it will impact on the business	<b>Usually used</b> project management is used consistently throughout; many people in team understand and can use it; bench- marking usually done; project team is multi -disciplinary, often co-located with full time project manager; training identified and given at start of project	<b>Very good management of interactions</b> changes are mostly in business plan; senior person with responsibility for change management; good balance of operations and change projects; little consideration to long and short term balance; occasional problems with resource management an issue
3	<b>Some visible commitment - often consistent but low level</b> ; full time project manager; project owner at senior level; many of people in project team own the change; few resource constraints; all members of team attend meetings; operational v project conflicts at times; those involved have input throughout the project; most people buy in to the change	<b>Culture that accepts change</b> ; many of those affected by change are involved from start and throughout; change is regarded as important to business but inconvenient; impact of the change on individuals discussed; team works well but lacks team spirit at times people issues are sometimes included	<b>Good communication</b> all project team, most senior managers and many people throughout the company understand the need for the change, what the changes are and how it will impact on the business	<b>Often used</b> most aspects of project management are used; one or two people in team can use it; multi-disciplinary project team with project manager; training identified and given at start of project	<b>Good management of interactions</b> changes are often part of the business plan but some unplanned; senior person in the business full-time on change management; operational work v change projects conflicts; resource management sometimes an issue
2	<b>Limited &amp; inconsistent commitment</b> no steering committee; project owner not interested or not senior enough; sporadic attendance at project meetings; operations take priority over project tasks; limited buy-in across company; few people completely buy in to project	<b>Culture that reluctantly accepts change</b> few of those affected by change are involved from start and throughout; change seen as necessary evil; few people understand implications of the change on them; limited team work with no real team spirit	<b>Limited communication</b> most of project team, and some managers understand the need for the change, what the changes are and how it will impact on the business	<b>Sometimes used</b> some aspects of project management are used; at least one person in team uses it; multi-disciplinary project team with project manager; little training carried out	<b>Limited management of interactions</b> changes are often planned but seldom formalised; senior person with responsibility for change management; operational work takes priority; resource problems often arise
1	<b>Poor commitment</b> project team members often pulled off to operational duties; only select few people buy in to the change; few team members regularly attend meetings; resources (people & equipment) are a problem	<b>Culture that is wary of change</b> virtually no-one affected by change is involved throughout; few people believe the change is worth doing; the impact of the change on individuals has not been addressed; no real team work or spirit	<b>Poor communication</b> some managers understand the need for the change, what the changes are and how it will impact on the business but only project team knows progress being made	<b>Seldom used</b> only one or two aspects of project management used at certain times in the project; no-one really knows how to use all of it; team approach used; no training given specifically to team before or during project	<b>Poor management of interactions</b> ; most changes are unplanned; no one specifically responsible for change management (shared); good balance of operations and change projects operations have to take priority; changes are usually under-resourced
0	<b>No commitment</b> little top level support; poorly attended project team meetings; people involved in change only when operational duties are slacker; no support or buy in across the company	<b>Culture that does not readily accept change</b> change considered waste of time; no-one in organisation knows or has considered the implications of the project on them; few believe that the change is worth doing; no team work	<b>No communication</b> hardly anyone knows the importance of the project, what is going on & how it can influence the business	<b>Never used</b> project management never used; benchmarking never used; no real project teams; no training given to people involved in implementing change	<b>No management of interactions</b> changes are always unplanned, under-resourced and always take second place to operations; no-one responsible for managing change

Table 2: Maturity Matrix



priority areas. Ongoing change projects can be audited using the tool to identify and help improve areas of weakness. Finally, it can be used to facilitate the exchange and sharing of information in change management across the organisation, i.e. a corporate learning role.

#### **4.2.4 Validation of the Tool**

Following on from the development and method of application of the tool, a number of unanswered questions on the validity of the model remain. For example, can the tool be used when considering detailed change or is it only applicable to generic change? Is there evidence of an overall best practice company when the change is specific or do 'pockets' of best practice still exist? Are the key success factors identified for change management also important at a detailed level? Are practices still transferable across different industrial and non-industrial sectors?

In order to determine what parallels could be learned, and hence validate the model, a specific type of change was examined - Business Process Re-engineering (BPR). BPR is regarded as one of the main methodologies for achieving a step change in performance. It is being undertaken by a high percentage of organisations. Its use does not appear to be confined to a particular industrial sector or size of company, making it ideal for examining the issue of transferability.<sup>70</sup>

The investigation was carried out as part of a DTI initiative into the practices and activities associated with BPR in the Aerospace Industry.<sup>73</sup> The author's contribution to the study was to look in detail at 'Best Practice' companies in non-Aerospace sectors around the UK and compare their performance with the Aerospace industry.

The main conclusions from the study were that the principles established for generic change are equally applicable to change at a more detailed level. There appeared to be no one overall 'best practice company' - only elements of good practice. Many of the same practices are used by a number of different companies in different industrial sectors with a comparable level of success. Good practices appear to be transferable across different industries, i.e. they can be regarded as generic. Furthermore, the five key success factors underpinning the model also appear to be relevant to change at a more detailed level (see Report no. 4 for further details).



## 4.2.5 Implementation of the Tool

The next stage, having established the model's validity was to test the model in an industrial situation in order to establish whether or not it had a real and practical use. In order to do this, the model was applied to four different areas within the case study company:

- to the overall change management process in one of the sites
- to a large re-engineering project underway in one of the businesses
- as a corporate learning tool across the whole company
- as an education and training aid for change management at one of the sites.

In the first two applications listed above, the model was used as shown in Figure 5.

Initial audits, using the Maturity Matrix shown in Table 2, were made by the people 'owning' the change. For the change process, these were the change managers responsible for ensuring that change was managed in the organisation. In the case of the Re-engineering project, the core Aftermarket Project Team carried out the audits. In each case, the people doing the audit identified target actions for improvement as a result of the initial audit, then developed and implemented action plans for improvement. Re-audits were carried out after an 8 month period for the Change process application and after a 9 month interval for the Re-engineering project. The results are shown in Sections 4.2.6.1 and 4.2.6.2.

In the third and fourth applications, the tool was used in a slightly different way. It was used to help the sites to share knowledge and experiences in change management and also as an awareness tool. In the third application - as a corporate learning tool - initial audits were carried out by the change managers for each of the businesses. However, following a major re-organisation of the company, subsequent actions and re-audits could not be made.

Consequently, no quantitative results were obtained for this application. However, qualitative results were obtained for these applications. This is described in Section 4.2.6.3. In the fourth application, the tool was used as an education aid. However, for political reasons, no re-audits were made. Hence the results for this application are more of a qualitative nature (see Section 4.2.6.3).



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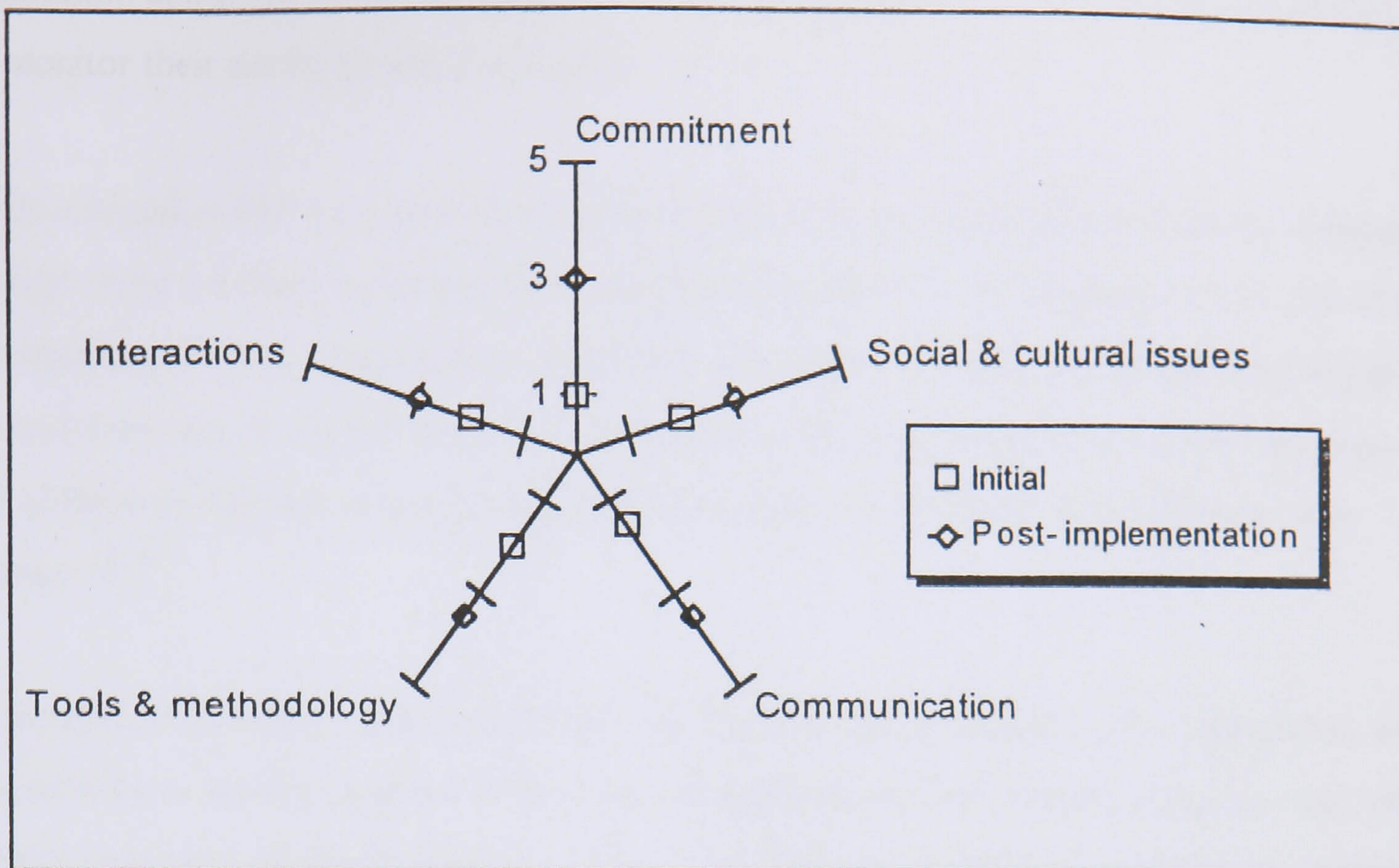


Figure 7: Results from the Application of the Model to a Re-engineering Change Project

In addition to this investigation, an independent evaluation of the tool's effectiveness in improving the Aftermarket Re-engineering project was carried out. (Report no. 3 details this). The two main business measures for the project - spares schedule adherence and repair turnaround time - improved significantly over the same time period in which the tool was introduced. Spares schedule adherence improved from 40% of orders delivered on time to almost 80% and repair turnaround time was reduced from a 13 week average to 4 weeks.<sup>74</sup> The study concluded that these improvements were largely due to guidance given in the Best Practice Model for Change for improving the change process.

#### 4.2.6.3 Other Applications Within the Case Study Company

Although no quantitative results were available for the other applications, qualitative results indicated that it was useful as a corporate learning tool. Full details of these results are given in Project Report no.5.

The tool encouraged parts of the business to share and learn from each other's identified strengths and weaknesses, following self-audits using the tool. Furthermore, the Best Practice Model for Change was believed to provide valuable input in educating people in the



organisation about the important elements of change management and how they could identify and monitor their performance in this area.

This investigation also supported the view that there is no one overall 'best practice' company, although there are many good practices within each organisation.<sup>73</sup> Benefits can be gained by understanding another organisation's processes, practices and behaviours<sup>75</sup> and adapting them to suit the needs and ways of your own organisation. The approach is to take the best from each of these companies or across a company, as required, and adapt it to suit your own business.<sup>2,65,72</sup>

The benefits of focusing on the 'important few' was also demonstrated in this application. By concentrating primarily on areas of weakness, identified in an initial audit, using the tool, the company achieved substantial improvements to its change management process. Conversely, where a lack of focus existed, the number or extent of the improvements were fewer.

#### **4.2.6.4 Application Beyond the Case Study Company**

In order to enhance the body of proof that this tool is useful for helping organisations to manage change more effectively, there is a need to look beyond the application within the case study company. Two areas can be considered further to support the results from application within the case study company, described in this section. The first is concerned with interest from organisations in other industries and organisations, globally, for a variety of different applications relating to change management. The second 'evidence' comes from a review of case studies, reported in the literature, where tools, approaches or methodologies similar to the Best Practice Model for Change have successfully been used.

Interest in the Best Practice Model for Change is gathering, worldwide, largely as a result of the published papers. A number of organisations have asked for permission to use or adapt the tool to help them manage change more effectively. For example, the tool is currently being considered to aid the integration of two large IT companies in the USA.<sup>76</sup> Also, one of the health services is adapting it for use as a tool to help nurses and other groups to understand and contribute to the management of change within the health service.<sup>77</sup>



There are several cases cited in the business management literature where tools using similar methodologies to the Best Practice Model for Change have been used to help make corporate-wide improvements. This ranges from case studies showing the beneficial effects of adopting a holistic approach in change management through to the use of matrix type tools for improving various aspects of business performance.

For example, a two-dimensional process/ key success factor model has been used within IBM to focus on key areas for improvement relating to quality and has provided significant financial and other benefits to IBM.<sup>48</sup> In addition, South West Airlines have achieved considerable cost and quality benefits as a result of using a systematic benchmarking methodology for process improvement.<sup>78</sup>

Maturity matrices have been used in a number of applications in industry for allowing businesses to assess their performance in a particular field. For example, Simcox reports on the use of maturity matrices in TQM to help to focus on the 'real critical issues.'<sup>79</sup> Furthermore, Brynjolfsson et al have published details of a matrix tool that was successful in helping to identify key success factors in a US adhesives manufacturer. The tool, they concluded, allowed the company to focus on those activities that added most value, providing a number of immediate and longer term benefits to the company.<sup>80</sup>

Work carried out at an electricity utilities organisation in Northern Ireland concluded that business benefits were greater when a 'holistic' approach was taken to evaluating business performance.<sup>81</sup>

So, taking into account the developing interest beyond the case study company and the business benefits seen from the use of similar tools in industry, the conclusion may be made that the Best Practice Model for Change, clearly, has application beyond the case study company.



## 4.2.7 Additional Development of the Tool

The practices, offered in Appendix 1, are based on only a very limited number of companies who participated in the study. They form only a part of the information available to help companies to manage change effectively. The need for companies to develop their own methods and practices is well established although they may initially start out being based on the best practices from other organisations. The aim is to adapt rather than adopt practices.<sup>65</sup> Consequently, the next stage in the development of the model is to expand and develop each of the key success factors to offer more guidance to support the model.

All five key success factors identified in the Best Practice Model for Change need to be developed further. However, due to time and resource constraints, it was not possible to do this. Using the case study company as a typical example of where to focus the limited available effort, two of the five key success factors were selected for further development. The first key success factor, Social & Cultural Issues, was selected because it was identified during the implementation as one of the less mature factors in the case study company. Making improvements to this key success factor would help ensure a balance in maturity would be obtained.

The second selected key success factor, Tools & Methodology, conversely, is one of the more developed in the case study company. This factor was investigated further because the case study company had a strong desire to obtain a better return from their investment in project management and specifically requested that this area be addressed within the scope of this research.

### 4.2.7.1 Corporate Culture

There is considerable literature evidence to support the need to take into account the softer issues in change management. The culture of an organisation, i.e. "*the set of attributes, values and beliefs held in common by members of a group, as well as the behaviours that these values and beliefs engender*".<sup>82</sup> is widely regarded as the most important and also the most challenging part of change management.<sup>83,84</sup> Nevertheless, there is little evidence to show that these issues are being handled in practice. A number of reasons are put forward as to why this may be so.



Until recently, research on cultural issues focused on explaining phenomena rather than practical application, using language and terminology unfamiliar to the business or industrial community to describe these cultural concepts. As a result, it was largely ignored by industry at the expense of other areas of research that favoured a practical and less theoretical approach. In business terms, culture is now recognised as a measure of the company's internal capability to meet the competitive opportunity in the marketplace and as the biggest influence on sustaining change.<sup>85</sup>

Corporate culture is a key part of the 'Social & Cultural Issues' key success factors, i.e. issues involving people's behaviour, perceptions and attitudes towards all aspects of the change and how they could influence the organisation as a whole. For this reason, an investigation was made, providing an insight into the concept of corporate culture, an understanding of what issues are most important to ensuring the right culture is in place and, finally, how a culture change can practically be achieved.

The main conclusions from the study, detailed in Project Report no.6, were that a corporate culture is unique to an organisation, but has a number of common or generic characteristics. A successful business is achieved by focusing on providing a strong, adaptive culture that is aligned to its strategic needs.<sup>86</sup> Sub-cultures and their interactions are also an important part of an organisation's culture.<sup>87</sup> They need to be taken into account when making a culture change. Based on the belief that a corporate culture can be changed through appropriate management and leadership action,<sup>88</sup> a recommended approach to making a culture change is suggested. This approach is illustrated in Figure 8.

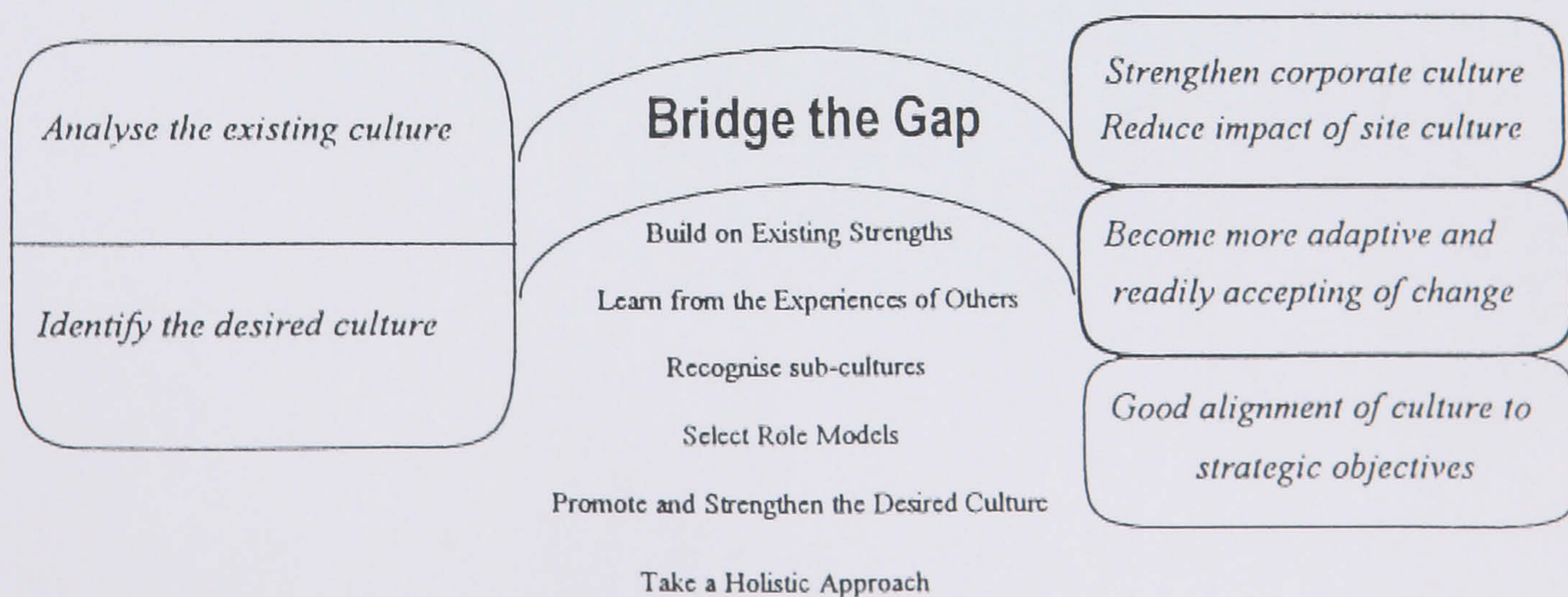


Figure 8: Making a Corporate Culture Change



This involves firstly assessing the existing culture, identifying the culture they are aiming for and then taking the necessary steps to bridge the gap between the two, whilst taking action to sustain the changes. This is to ensure that the organisation does not revert back to a culture that is mis-aligned to the company's objectives.<sup>89</sup>

Having identified the desired culture, a number of key actions for making the change are proposed, such as building on the existing culture and selecting role models. These are practices that have been identified in the literature as drivers for achieving a successful culture change.<sup>90,91</sup> Finally, the objectives of a culture change, identified in the framework, are to end up with a culture that is strong, adaptive and is aligned to the company's strategic objectives.

An exploratory survey of the corporate culture within the case study was made. This is detailed in Report no.6. As a result of the survey, some guidelines were produced in order to help the case study company to make a corporate culture change. These guidelines are described in detail in Report no.6 and are summarised in Table 3. Whilst the guidelines are specific to the needs of the case study company, they form a useful basis for examining the corporate culture of any organisation.



Recommended Actions	Description
Share the same philosophy	<p>Achieved through better communication of the company's objectives, leading to a better understanding of the company's philosophy.</p> <p>Promote a consistent message across the organisation - continuously.</p>
Improve communication	<p>Improve vertical and lateral communication e.g. "carry out a cross company communications audit - find out what works and what doesn't and put it right." <sup>92</sup></p> <p>Consider soft technologies as well as hard technologies. Managerial behaviours for example are of greater importance in promoting cross site communication. <sup>93</sup></p> <p>Lead by example<sup>94</sup> (role models)</p>
Reward good performance	<p>Agree and communicate across the company of what constitutes good work and reward accordingly<sup>95</sup></p> <p>Consider non-financial rewards e.g. employee recognition systems are increasingly being used to successfully change the culture of companies. <sup>96,97</sup> Soliciting and implementing peoples ideas surpasses money in building the right culture. <sup>98</sup></p>
Create a team focus	<p>Consider the degree to which people are encouraged, empowered, motivated and equipped to participate in teams and groups and to contribute. <sup>82,99</sup></p> <p>Invest in teambuilding and nurturing a team spirit, improved team communication, entrusting teams with key tasks and endowing employees with a feeling of ownership <sup>82,100,101</sup></p> <p>Consider the team environment also, e.g. co-location, meeting, briefing and project rooms, good inter-site communication hardware. Education and training can play an important part in fostering teams e.g. cross-cultural education and training, - including foreign language training, general information about the culture differences in the various sites, to enable them to work together. <sup>101</sup></p>
Increase trust	<p>As the bureaucracy in an organisation decreases, the trust increases. <sup>102</sup> Take specific action aimed at removing the bureaucracy e.g. giving teams more authority and encouraging them to take more responsibility, will result in an increase in trust.</p> <p>Leading by example is recognised as one the most effective ways to improve trust within an organisation. <sup>103</sup></p>

*Table 3: Guidelines for Effecting a Corporate Culture Change*



#### 4.2.7.2 Project Management

An increasing number of companies are beginning to understand the benefits that can be derived from using project management tools and methodologies to help drive large scale planned change.<sup>104</sup> However, many are not achieving the full benefits from project management. The reasons given for this vary from company to company but, typically, include lack of knowledge and experience in project management and poorly communicated project plans.<sup>105</sup>

Like any task, the management of a large project involves the planning, organisation and control<sup>106</sup> of a large number of complex factors, activities and their interrelations. Managing them simultaneously and giving them all equal attention is virtually impossible. However, by adopting the rule of finding the important few in order to focus attention on the key factors, success is more likely.<sup>107,108</sup>

In order to establish how more effective project management could be achieved, a two-fold investigation was carried out firstly to determine which are the important elements in project management. This was achieved by surveying a number of companies involved in change. Secondly, it was to examine how organisations could gain more benefit in the use of project management by focusing on these factors. Full details are given in Project Report no.5.

The main conclusion from the survey was that four factors are regarded as critical to the success of change projects:- communication, clear objectives & scope, breaking the project into 'bite sized chunks' and using the plans as dynamic documents. An evaluation of how these factors might be applied, in practice, showed that communication is the foundation of successful projects, but that all four factors need to be considered simultaneously in order to achieve significant improvements. By focusing on these key success factors, in addressing problems, it is believed that more benefit from project management will be gained. Table 4 illustrates how the key success factors could be applied to typical project management problems and proposed solutions.



Problem/Issue	Solution	How
Striving for 'standardisation'	Get all parts of the business to an 80% working level with project management	Focus on key success factors as a first stage to standardisation  Develop an auditing tool for project management
Perceived return from project management is poor	Increase awareness of both perceived and actual benefits	Communicate the potential benefits of project management  Improve visibility of the actual benefits showing results quickly from the projects  Focus on the important issues in project management so that the biggest benefits are seen first
Project management is regarded as a 'corporate reporting' tool	Gain acceptance of project management as a tool at a site and project level as well as at a corporate level	Improve two-way information flows through a better sharing of information between the sites and from headquarters to site
Inadequate formal completion of change projects	Communicate the importance of the final stages in a project across the company	Learn from parts of the organisation or other businesses who have a reputation for completing projects successfully, and where the changes have become institutionalised
Project Overload Syndrome	Define the "Bite sized chunks" at the outset of the project	Limit the number of projects  Increase the resource pool, so that the project tasks can be carried out properly.  Develop a greater awareness of the true resource requirements for each project  Break the large projects down into 'bite sized chunks' at the outset to allow a better estimate to be made of the time and the resource requirement and help identify in advance any potential resource conflicts
Cultural and Individual Issues	Build on Individualism through Effective Communication	Encourage employee participation  Redefine group boundaries  Leverage the strengths of the national and corporate culture
Motivation	Build confidence through better communication	Adopt a focused communication strategy and using a variety of methods to communicate

*Table 4: Using Key Success Factors to Improve Project Management*



## 4.3 Innovation in the Research (2): A Framework for Corporate Learning

As competition becomes increasingly based on knowledge and skills rather than product,<sup>109</sup> a growing number of companies are beginning to understand the benefits to be gained from effectively managing that knowledge. However, for many companies, acquired knowledge and expertise are formed in pockets rather than being disseminated throughout the company.<sup>110</sup> This performance gap can amount to millions of pounds of lost revenue because best practices and knowledge are not being effectively shared.<sup>111</sup> If a company is able to put into place mechanisms that capture and effectively use their knowledge for the collective good of the company, then it can be regarded as being engaged in corporate learning.

Organisations that focus on learning and change, often referred to as learning organisations, are thought to be more competitive. They are better able to produce sustained profit and wealth, not simply to further the development of the organisation, but also to benefit its members and the wider community.<sup>112</sup> Where an organisation places emphasis on the intangible benefits and has a strategy of developing them over time, there is evidence to show that it becomes more agile and more readily able to cope with change.<sup>113</sup>

Through the effective capture, sharing and transfer of relevant knowledge, a company can gain sustainable competitive advantage. It can bring significant financial and non-financial benefits to an organisation. These include improvements in an organisation's knowledge 'asset ratio',<sup>114</sup> defence of its core competencies,<sup>115</sup> the development of new opportunities through innovation,<sup>116</sup> the influence it can have on lead times<sup>117</sup> and improvements in consistency and reliability in application of that knowledge.<sup>118</sup>

The existence of better practice change management in some parts of the same organisation, i.e. the existence of islands of excellence has been demonstrated. Clearly, the inability of the organisation to share and transfer its best practices and knowledge in change management across the whole organisation can have devastating consequences e.g. lost business opportunities, excessive cost through duplication and reinventing the wheel.



The effectiveness of the tool described in Section 4.2 will be limited if parts of the organisation do not share and learn from one another. Long term effectiveness in change management will, therefore, only be achieved if knowledge is shared across the organisation. In order to ascertain how organisations can maximise the benefits from using a tool such as the Best Practice Model for Change, mechanisms for capturing, transferring and sharing knowledge in change management need to be identified and understood. This issue is explored further in the second 'theme' developed within this research.

### **4.3.1 The Required Approach to Corporate Learning**

Many of the problems, historically, with corporate learning are that it has been implemented in a piecemeal fashion, rather than strategically or holistically. The focus has tended to be towards one of a range of perspectives. For example, considerable attention has been given to IT tools such as Intranets and Groupware for improving corporate learning within organisation.

However, there is evidence to suggest that effective corporate learning requires a consideration of the wider issues and their interactions.<sup>40</sup> As well as information capture and transfer by digital means there needs to be a consideration of the issues associated with corporate learning. A growing number of companies are starting to appreciate the benefits of taking a more holistic approach to processes.<sup>119</sup>

The need to take an integrated and strategic approach to learning is becoming increasingly recognised in the literature.<sup>120,121</sup> A number of models and frameworks for organisational learning have been published over the last fifteen years.<sup>122,123</sup> However, these are not aimed specifically at the implementation of corporate learning. They provide an understanding of the key concepts in corporate learning, rather than focusing on how corporate learning can be implemented. Little is available in the literature to help with the practical implementation of corporate learning.

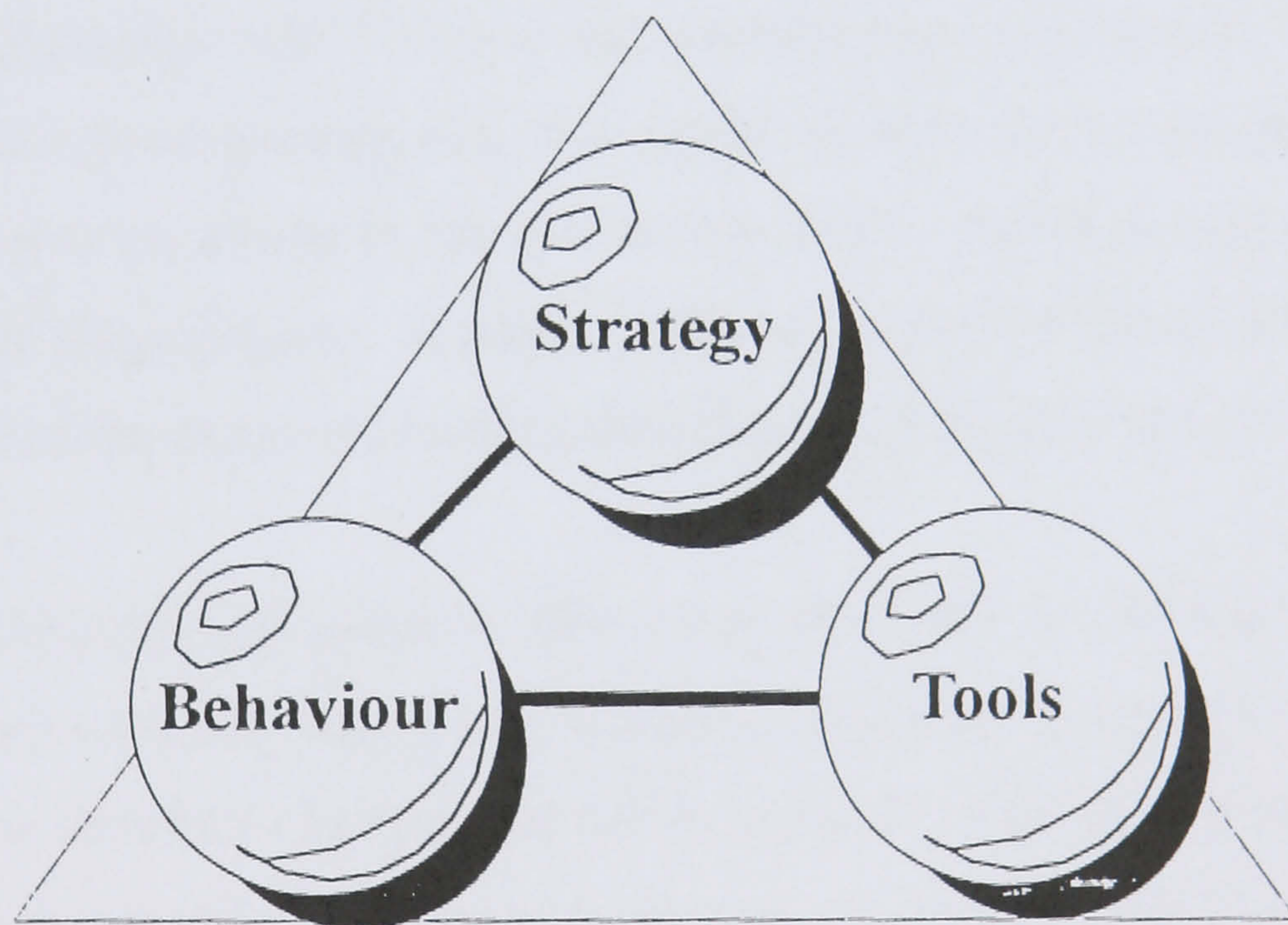
Both the absence and need for such guidelines, in any form, is supported in the literature. For example, Davenport et al believe that conceptual analysis is of little use to practitioners.<sup>124</sup> Companies, in their view, need to examine existing practices and learn from them, adapting



them to suit their own needs. A model or guidelines for corporate learning, therefore, should be built around this need.

### 4.3.2 Development of a Framework for Corporate Learning

In order to meet this need, a framework has been developed from the actual practices of organisations who have been involved in implementing corporate learning. It takes a holistic view of corporate learning. In addition, guidelines and 'best' practice information to support the framework are available. Described in detail in Project Report no.7, the framework provides a holistic approach to the capture, sharing and transfer of knowledge in an organisation. It provides an overall understanding of the strategic and behavioural mechanisms and processes that can help a company to use its existing and future acquired knowledge to maximum advantage as well as the tools to facilitate this. The framework is shown in Figure 9.



*Figure 9: Framework for Implementing Corporate Learning*

The framework helps to ensure that all aspect of corporate learning are considered rather than focusing on a smaller number of specific practices that may be known to the organisation.



The three parts to the framework are strategy, behaviour and tools. Strategic actions are those that must be taken at a corporate or strategic level to ensure the organisation is focused on corporate learning. For example, making corporate learning a corporate objective or having corporate learning as a key process in the company.<sup>125</sup> Mechanisms or actions that influence behaviour can range from the appointment of individuals or teams with a specific corporate learning role through to education and learning programmes dedicated to enhancing the transfer or sharing of knowledge. Appropriate corporate learning tools are far wider ranging than IT databases. For example, having in place measures of performance that encourage corporate learning, the implementation of systems, procedures and documentation that aid in the corporate learning process.

#### **4.3.2.1 Other Models for Corporate Learning**

At the time of developing the Corporate Learning Framework, a similar model was published, independently, in the literature. This model, referred to as the 'Magic Square' was developed by Probst and Buchel in 1997.<sup>126</sup> It provides a holistic view of important elements for the facilitation of corporate learning and, although the model is more conceptual than practical, the groupings are very similar to those in the Corporate Learning Framework. The four 'corners' of the Magic Square - strategy, structure, culture and personnel - relate closely to the three parts of the corporate learning framework - strategy, behaviour and tools.

The Corporate Learning Framework differs from the Probst and Buchel model, however, in that the corporate learning framework focuses on the practical implementation of corporate learning. It was developed and is supported by a number of actual practices that companies have found to be successful in implementing corporate learning. These practices are summarised in Table 4.



Strategic	Behavioural	Tools
Fund a number of corporate initiatives	Make use of leaders, mentors, champions and change agents within the organisation, as role models	Measures the outputs of corporate learning
Audit the existing corporate learning process	Appoint knowledge managers, knowledge officers or knowledge activists to disseminate knowledge	Make existing procedures and process information readily available to everyone
Make the generation and dissemination of relevant knowledge a key objective	Appoint gatekeepers who keep others in the organisation up to date with what is going on in Industry	Develop procedures and methods aimed specifically at corporate learning
Establish corporate-wide learning councils as a means of ensuring joint ownership across the company	Appoint boundary workers to scan more than one skill area to look at sharing and disseminating knowledge between skill areas	Develop the 'Reuse' concept to ensure that as much knowledge or information is reused instead being collected or built from scratch
Partner with external organisations	Set up a Collaboration Engineering department to improve cross- department communications and to help adopt a standard method of sharing information and a standard set of interfaces	Document 'lessons learned' from large projects
Hold internal conferences, focus groups, workshops, meetings and seminars	Organise into teams	Set up learning histories for projects
Fund group activities, such as sending small groups on benchmarking excursions both within and outside the organisation	Educate to ensure alignment on meanings across the company	Use standard IT tools, such as scanners, phones, faxes and email to aid communication
Encourage job rotation and cross site and cross functional secondments across the company	Recognising and work to remove the barriers to corporate learning	Use video conferencing, intranets and groupware for communication and storing of information
	Promote and accept cultural diversity within the company	
	Recognise and promote informal corporate learning - encouraging personal networking, set up <i>Skunk Works</i> , and <i>Bootleg Research</i> and encourage people to attend in industry meetings, conferences or courses	

Table 5: Some Recommended Practices for Implementing Corporate Learning



### **4.3.3 Use of the Framework in Practice**

Although still at a very early stage in its development, the framework is already being used as a tool to educate managers within the case study company of the need to take more of a strategic approach to corporate learning. It is currently being used to help the parent group of the case study company to develop a corporate learning plan. However, because it is only in the very early stages of development, only limited information on its use is currently available.

## **4.4. Summary: A Recommended Approach for Change Management**

Based on the research reported within this portfolio, an approach for companies setting out to improve their change management process is recommended. This approach is summarised in Figure 10.

As Figure 10 indicates, a two part approach is recommended. The first focuses on use of the Best Practice Model for Change and supporting guidelines and frameworks, that are an expansion of the key success factors in the model. Firstly, an audit of the existing performance is carried out. This may be for the overall change process or for a more specific application e.g. a change project. Areas of weakness are identified. These can then be targeted using the recommended actions from the checklists, guidelines and frameworks shown in the figure.

The second part involves the adoption of the corporate learning framework. As various parts of the organisation carry out audits of their change process or as specific change projects are audited, the organisations can learn by having in place the right corporate learning mechanisms. This will help ensure that knowledge in change management is captured, shared and transferred effectively across the organisation, benefitting the organisation as a whole.



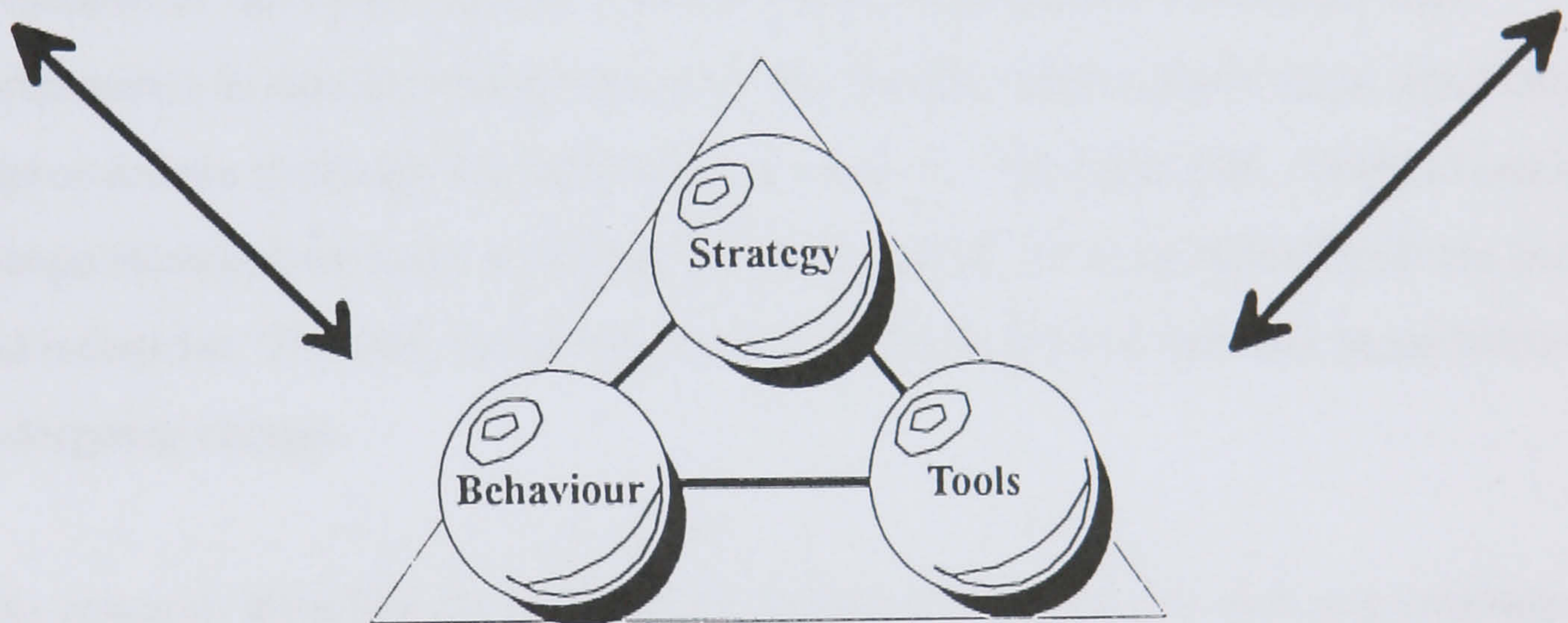
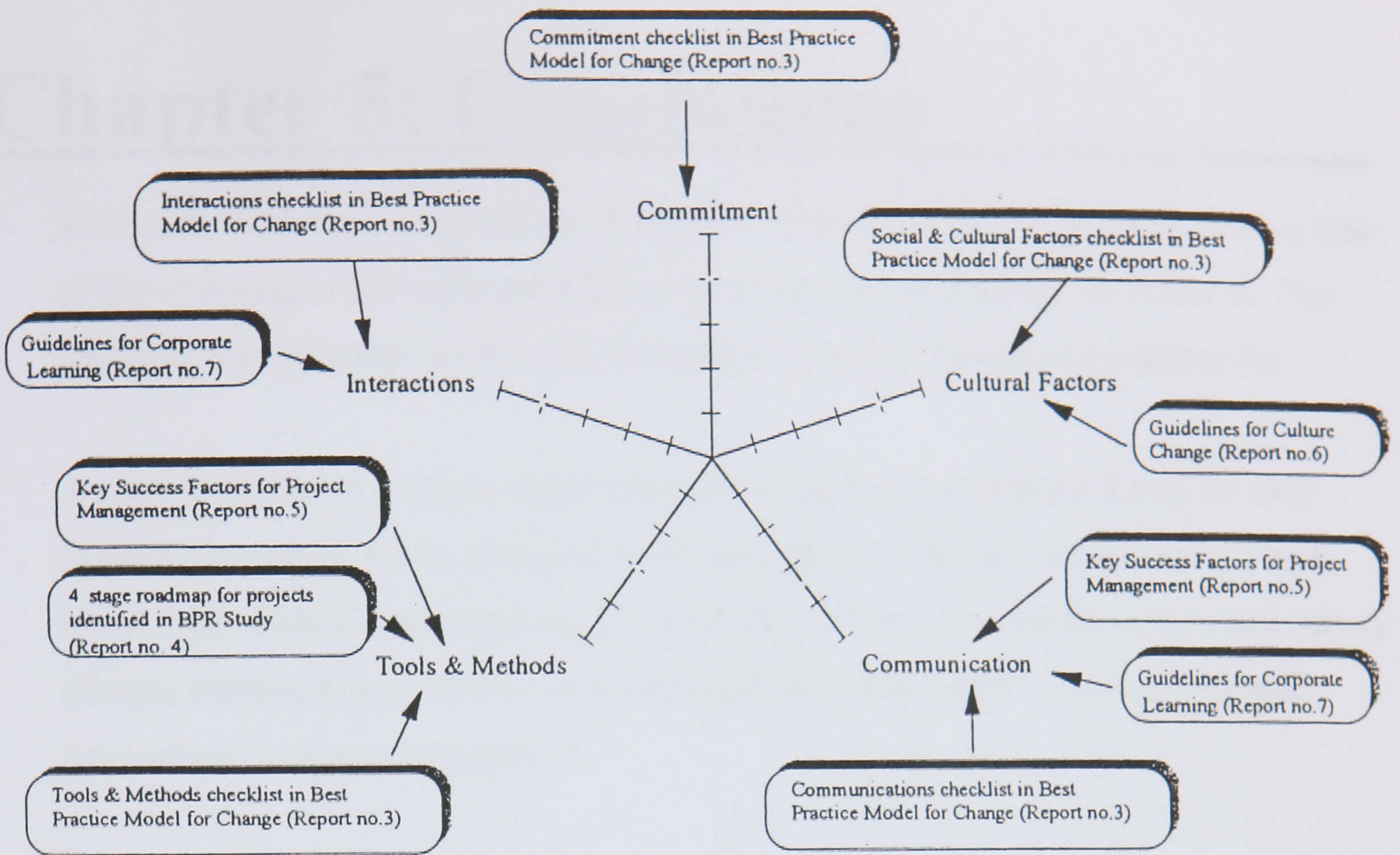


Figure 10: Recommended Actions for Improving the Change Management Process



# Chapter 5: Conclusions

- This research shows that successful companies of the future will be differentiated on their ability to become more agile and adaptive to changes in the external environment. One identified way of achieving this is by being able to manage change more effectively.
- A number of important inter-related issues in the change management literature were identified as critical to the achievement of more effective change management. These issues: best practice benchmarking, focus on critical factors, corporate culture and culture change, learning organisations and sustainability have been used to provide two main innovations in change management.
- The first innovation, a benchmarking tool, the *Best Practice Model for Change*, has been developed in this research. This tool has helped organisations to measure their performance in change management and take positive action, resulting in significant improvements in change management performance. The principles, concepts and ideas in change management were also found, in this research, to be transferable across companies and industries. The tool, therefore, can potentially be used to help any organisation undergoing change.
- This research identified the existence of pockets of best practice in change management within an organisations. It concluded that in order to ensure that the benefits of change management are achieved, company-wide, a method for ensuring the effective capture, sharing and transfer of change management knowledge is required.
- An innovative, practice-based, framework that ensures a holistic approach to corporate learning has been developed. Although only at an early stage of development, the framework, that focuses on three areas - strategy, behaviour and tools for implementing corporate learning - is already being used in one company. It can potentially provide financial and non-financial benefits to any organisation where knowledge is a key asset.



# **Chapter 6: Extension of This Work and Future Development**

Recommendations for further work and developments of the main areas of research, described in this portfolio, can be grouped into three main areas:

- Further development of the Best Practice Model for Change
- Development of the Key Success Factors underpinning the Model
- Development and the subsequent application of the Corporate Learning Framework.

## **6.1 Further Development of the Best Practice Model for Change**

Developments of the model in the future are likely to be concerned with extending its use and application within industrial environments. The first proposed development links the model to business benefits. This will influence how well the tool is used in the future. The second proposed development is concerned with increasing accessibility and visibility of the model within a business.

### **6.1.1 Linking Business Benefits With the Model**

Performance measures have been referred to several times in this portfolio, for example their importance as a major factor driving change and also as a useful tool for encouraging and improving corporate learning. The phrase "*you get what you measure*" is often quoted to reflect the perceived importance of performance measures.<sup>18</sup> Arthur Anderson call performance metrics the 'vital signs' of an organisation.<sup>127</sup> Based on this principle, there is clearly a need to ensure that performance measures reflect the required behaviours - for example, if the organisation needs to be customer focused, the measures must also be customer focused.

Although in the past, it was often very difficult to measure improvements of business processes and related 'softer' activities such as corporate culture change, this has changed.



There is evidence in the literature to indicate that many companies are starting to recognise that measuring the effectiveness of business processes cannot be achieved by merely looking at traditional financial measures.<sup>128</sup> They need to take into account the more strategic and longer term non-financial measures e.g. quality, environmental and legislation considerations, delivery performance and employee motivation and satisfaction.

Nyhan and Marlowe identified the need to link performance measures with TQM.<sup>129</sup> It stemmed from a need very similar to that described for linking the Best Practice Model for Change with performance measures. Although TQM was believed to be beneficial to organisations, it was not until it was linked directly with business benefits that it was given company-wide commitment. Linking performance measures with TQM highlighted some of the associated major issues. It also allowed measures across disparate businesses to be compared with one another.

New methods that concentrate on the measurement of business processes, have sprung up in the literature in recent years. These include frameworks such as the Balanced Scorecard<sup>130</sup> and the EFQM (European Federation for Quality Management) model.<sup>131</sup> Both these frameworks provide a balance of short term financial measures and longer term non-financial or strategic measures to drive the company's performance.

Although the best practice model for change provides a measurable way for companies to assess their performance in change management, it does not link directly to business performance measures such as these discussed here. Given that many companies are driven solely by business performance,<sup>132</sup> they are more likely to adopt a tool such as the Best Practice Model for Change if the links with business performance measures are clearer. Consequently, this should be the subject of further investigation.

One of the limitations with the Best Practice Model for Change is that it currently has no direct link to business performance measures such as those discussed here. Given that most companies are driven principally by business performance, the usefulness of a tool such as the Best Practice Model for Change is more likely to be recognised and adopted at a corporate



level if the links with business benefits, in some tangible way, are made clearer. Consequently, this should be the subject of further investigation.

### **6.1.2 Improving the Accessibility of the Model**

The importance of communication and accessibility has been stressed throughout this research. One key way of gaining acceptance of the best Practice Model for Change is to facilitate the 'accessibility' of the tool, for example, making it more readily available. Although publication of the tool in a leading journal is a first step towards achieving this - by opening it up to a wider audience - there is scope for making it more accessible and readily available internally within organisations, for example, on a corporate IT network. As the tool gains acceptance and is used more, best practice information will start to expand. Computerising the model will help to ensure that its growth is managed more effectively. This is an area worthy of further investigation.

Capturing knowledge on good practices, for example, from lessons learned and from case studies within and outside of the organisation areas and allowing everyone in an organisation access to that knowledge would help ensure that the tool also fulfilled a corporate learning role.

Presently, the Best Practice Model for Change has very limited knowledge because only a few companies were used in the model's development. There are a large number of companies involved in change whose practices remain unknown. As a company gathers more information on good practice, particularly from outside its own company or industry, the volume of information increases and can become unmanageable unless it is stored electronically, for example, as part of a computerised database.

## **6.2 Development of the Key Success Factors**

As chapter 4 describes, there is a need for companies using the Best Practice Model for Change to develop their own practices and methods. As a way of helping them to achieve this, each of the five key success factors in the model needs to be expanded. This may take any number of forms - including checklists, guidelines, frameworks and models. Although two of



the key success factors have been developed further in the context of this research, work in these areas has not been completed. In addition, the remaining key success factors have to be developed.

### **6.2.1 Application of Guidelines for Corporate Culture Change**

There is a need to establish how effective the guidelines for corporate culture change are in guiding organisations through a corporate culture change. It may also be that a method for quantifying or measuring corporate culture needs to be included. Using one of the many developed questionnaire tools such as the proprietary Corporate Culture Questionnaire,<sup>133</sup> or the culture gap survey<sup>134</sup> this may provide a way for organisations using the Corporate Learning Framework to assess their starting point and also how they are progressing in terms of achieving their desired culture.

### **6.2.2 Application of Project Management Guidelines**

Guidelines for improving project management, based upon survey results from companies involved in change, have been developed in this research. However, there is still a need to test them in an industrial situation in order to establish how robust they are. Furthermore, a number of other tools and methodologies for change management exist that have not been touched upon within the scope of this research - for example, process mapping and attitude surveys. These need to be considered, and where appropriate, developed further.

### **6.2.3 Development of the Remaining Key Success Factors**

The key success factor groupings used in the Best Practice Model for Change were based largely on the practices, activities and methods used by companies actively involved in change. Although three of the factors have not been developed further in the scope of this research - for time and resource limitations - they are no less important. The three remaining key success factors identified in the Best Practice Model for Change - commitment, communication and interactions - are equally critical to successful change. Information on all three topics is available in the literature. Consequently, it is recommended that the development of guidelines or frameworks for each of these three topics is the subject of further investigation.



## **6.2.4 Application of Model Industry-Wide**

The Best Practice Model for Change has been applied to a leading industrial company in the scope of this research, in a number of areas within the company. Furthermore, there is growing interest from other companies in the model, although the application or potential application of the tool in these companies is still at a very early stage. As the research indicates, the model can potentially be used by any company and in any industry. One way of making the tool more widely known and therefore, increase its potential use, is to publish details of its potential and actual use. It is recommended that this be carried out.

## **6.3. Application of the Corporate Learning Framework**

There are two areas of corporate learning that this research has identified are vital to ensuring the successful application of corporate learning in organisations. Both are concerned with testing the application of the Corporate Learning framework in practice, and modifying the framework as required.

### **6.3.1 Methods for Measuring Successful Application of the Corporate Learning Framework**

Although the Corporate Learning Framework is gathering interest within the case study company, its application to industry has not yet been tested. In order to do this, a method for measuring the success of an application needs to be determined.

The potential financial and non-financial benefits corporate learning can bring an organisation have already been described. Although some of these benefits are not directly measurable, many can be monitored to give an indication of the success of using the Corporate Learning Framework.

Some organisations have started to measure their corporate learning abilities, for example, the Pedler, Burgoyne and Boydell questionnaire and model<sup>52</sup> allows organisations to quantify their progress towards becoming a learning organisation. It may be possible to use a model such as this to determine the success of the corporate learning framework.



### **6.3.2 Application of the Corporate Learning Framework to Organisations**

Once a method for measuring how well the corporate learning framework is achieving its objectives, the next stage is to implement it. As discussed previously, there is a need to take a holistic view of corporate learning. It is recommended that the framework is used for companies who recognise the importance of taking a holistic approach and are looking for a practice-based approach to corporate learning to help ensure that change management knowledge is captured, shared and transferred effectively across the whole organisation.



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## **Appendix 1**

# **The Best Practice Model for Change Checklists**



# ***Commitment***

Commitment and ownership are provided and are visible at the top and throughout the organisation e.g. evidenced by the provision of adequate resource, senior managers being available for direction and support. Change activities and projects are part of the overall business strategy.

## **Strategic**

- The business plan objectives are translated into change activity requirements
- All current projects and activities are covered in the business plan
- The business has a dedicated person responsible for change management
- Projects and major activities have a senior level project champion or owner
- A senior level executive team (steering committee) oversees large projects
- Good quality people are chosen to carry out change projects and activities
- The implication of the projects are understood in the context of how it will impact on the overall business

## **Operational**

- The implication of the project on the business are well understood at all levels in the business
- The project has a senior level project champion or owner
- A senior level executive team (steering committee) oversees the project
- Key people are released to do the project
- The project is authorised and commitment to resource is agreed at start of the project
- Approximate scope, timescales, success criteria and resource requirements are agreed with stakeholders prior to going ahead
- Those likely to be affected by the change are involved from the start
- Eventual owners of the change are prominent team members
- The MD or project owner is involved in the selection of a project manager
- The project manager is full-time on the project
- The project owner and project manager are both involved in the project launch
- All project team members (part and full time) attend the launch
- Support is given at the post-implementation stage to make the changes stick



## *Social & Cultural Factors*

Concerned with behaviours, perceptions and attitudes towards all aspects of change. It includes overcoming resistance to or fears of change, people feeling involved and a part of the change. It also addresses changes behaved at all levels in the organisation and the status accorded to change management activities (not a poor second to operations).

### **Strategic**

- Project management of change activities is seen as a prestigious position within the company
- Being part of a change project team is (and is seen as) a career development within the organisation
- Where appropriate, attitude surveys are carried out at the start and finish of the project to measure the people aspects of the change
- Employees affected by the change are always involved throughout

### **Operational**

- Those likely to be affected by the change have a significant input and are involved from the start
- Everyone in the organisation can see how the change will affect them
- Everyone in the organisation can see why the change is necessary
- One person in the team takes responsibility for the human factors /people issues
- The team is largely made up of volunteers
- Consideration is given to the 'personality fit' of the team
- Team building is carried out prior to project launch
- Team building is maintained throughout the duration of the project
- A wide range of employees likely to be affected by the change are involved in both the design and implementation stages
- Where appropriate, attitude surveys are carried out at the start and finish of the project
- The changes are behaved by everyone in the project team - including the project manager and owner



# *Communication*

Covers all the issues associated with communication including when and what to communicate, the ways of communicating including learning from outside 'best practices' and learning by example.

## **Strategic**

- The implications of the project on the overall business are communicated to everyone in the organisation
- Learning from outside sources (different industries) is encouraged
- Customers and suppliers are aware of the changes taking place
- Lessons learned are communicated and fed back into the organisation (corporate learning)

## **Operational**

- The need for the change is communicated to everyone in the organisation
- The progress of the change is communicated to everyone in the organisation
- The results of the change is communicated to everyone in the organisation
- The implications of the project on the overall business are communicated to everyone
- Communication is carried out using a variety of methods - memos, one to one meetings, team briefings, cascade meetings, company presentations, video, audio, telephone, video conferencing, email, newsletters, corporate magazines, buddy teams, posters, gimmicks (mugs etc.), roadshows, presentations, displays, by example
- Outside sources are visited to learn from 'best practices'
- There is continued high visibility for the duration of the project
- There are regular communications between the steering committee and the team
- The project team is co-located to foster good team communication
- Members of the team also retain contact with functional part of the organisation
- One person in the team is responsible for communication
- Stake-holders attend the launch
- All project team members (part time & full time) attend the launch
- Regular reviews of progress are made between the team and project manager and owner
- Regular progress updates are given to all people affected by the change - and those who are less directly affected
- People affected by the change are given the opportunity to have an input
- Customers and suppliers are informed of the changes taking place
- Implication of the changes on individuals affected by the change is communicated and agreed
- There is continued visibility and communication post implementation
- Lessons learned are communicated and fed back



# *Tools & Methodology*

Covers all the tools & methods associated with managing change projects - project teams, project management discipline, risk and contingency management, best practice benchmarking, training, monitoring exercises etc.

## **Strategic**

- Risk management is carried out on all major change activities
- Benchmarking is carried out before major change activities begin
- Project management methodologies are used for all change activities
- A holistic approach is taken to change management activities
- Resource management is used
- Contingency planning is encouraged
- Training is a fundamental part of change management

## **Operational**

- An initial feasibility study is carried out before the project proceeds
- Information is gathered prior to project launch from internal and external sources
- A structured approach is taken in the selection of a project manager
- The following factors are taken into account on the selection of a project manager management/  
personal qualities -
  - personal development of the person
  - job knowledge
  - project management skills
  - availability
  - eventual ownership after completion
- The project manager is full-time on the project
- The project team is co-located and multi-disciplinary
- The team is made up of volunteers
- The team is a mixture of part time and full time people at different levels in the organisation
- The best people are chosen for the project
- The project manager is involved in the selection of the project team
- The team is not fixed from start to finish - new people come in at various stages depending on requirements
- The project team contains the following skills:
  - knowledge of customers (and suppliers)
  - external input
  - someone to address the human issues



someone to address the communication strategy

people with knowledge of change management tools e.g project management,

benchmarking skills, problem solving

systems specialists

eventual owners or likely owners of the resultant change

- Team members retain regular disciplinary/ functional contact
- The team have access to all the information they need to do the project
- There is clear ownership of tasks
- Training needs of the team are identified and addressed before the project begins
- Formal team training is carried out before the project begins
- Training is carried out before - and throughout - the project duration
- Risk management exercise is carried out before the project begins
- Contingency plans are used when needed
- The project is monitored against objectives & milestones
- Information is fed back in a lessons learned loop



## ***Interactions***

This deals with all interactions connected with change management - interactions with normal operations within the organisation, interactions between other change activities and projects. It also takes into account balancing short term immediate needs with longer term strategic needs.

### **Strategic**

- The business plan objectives are translated into change activity requirements
- The business has a dedicated person responsible for change management
- The business has a good balance of short and longer term activities going on at the same time
- The resource requirements for change activities are monitored and dealt with at a top level
- There is a good balance between operational and change activities
- Adequate resources are given to maintain projects - even in times of stress.