



THE PEOPLE CHALLENGE

Mega projects can present major people challenges, especially when it comes to change. **Catherine Smithson** outlines the hurdles often faced and recommends some solutions to overcome them

The challenge of change is not new. Even Machiavelli, Renaissance politician and scholar, described it in his seminal 1513 book *The Prince*: “It ought to be remembered that there is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things. Because the innovator has for enemies all those who have done well under the old conditions, and lukewarm defenders in those who may do well under the new.”

Today's mega projects come in all shapes and sizes—construction, engineering, business process improvement, mergers, acquisitions and IT—but they have one thing in common with Machiavelli's era: the importance of managing resistance and getting the people side of change right. Fortunately, modern day change management tactics are less brutal than in the Renaissance.

There are three key change management challenges present in mega projects. We'll look at each of these as well as some recommended solutions to overcome them.

Challenge 1: Being right doesn't always get people on board

It's a common misconception that developing the right technical solution guarantees acceptance and adoption of the change by the key stakeholders. The fact this isn't always the case is a major source of frustration and delay in implementing change and invariably reduces the realisation of benefits.

New evidence-based research has revealed the critical importance of engaging people through effective change management programs, in order for the benefits of projects to be realised.

- A 2002 McKinsey & Company study of 40 change projects across a range of industries, internationally, found a strong and direct correlation between change management effectiveness and achieving the expected value of the project.

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- > Companies with the highest returns had the most effective change management practices. Companies with the lowest return on investment had the lowest levels of change management effectiveness.
- Prosci's *Best Practices in Change Management Reports in 2005 and 2007* found a strong positive correlation between change management effectiveness and projects achieving business objectives, and finishing on time.

Challenge 2: Change management for project teams

Mega projects are like running a marathon relay over one, two or even five years. The race involves multiple teams of specialists passing the baton to one other. Winning or finishing the race requires high individual performance and effective teamwork, as well as the smooth handover of the baton.

Effective project management is critical to success in these marathons. It provides common methodologies and deliverables such as project planning, risk logs and reporting procedures.

Change management is also a key success factor. Most change management activities focus on stakeholders, but project teams also need change management.

First, a project team needs to share the same vision and goal and understand how each sub-team contributes to these. This requires active involvement from the executive sponsor and project leader.

They also need to work effectively as sub-teams and one big team. Project teams do not become effective by accident—they need to work on their teamwork in a conscious and planned manner.

Third, if project teams are involved in planning and implementing change management activities as part of their role, which is very common, they need to use a consistent methodology and toolkit that integrates with project management.

A common complaint I often hear from managers is that multiple and conflicting change management approaches are time consuming, confusing and result in

duplication of effort as well as loss of shared learning. New methodologies like the Prosci Change Management Process overcome this problem.

Recommended solutions include:

- Induction programs for new project team members.
- Periodic check-ins and reinforcement of the vision and goals.
- Continuous recognition of achievements and milestones.
- Team development programs for sub-teams and the whole team.
- Team skills training such as communications, managing differences, conflict, and giving and receiving feedback.
- Adopt a consistent, structured approach to change management.

Challenge 3: Sustaining engagement of key stakeholders

In long, complex projects key people can easily disconnect with the original vision and purpose of the change. A good analogy is home renovation. During the lengthy process of designing and building it's easy to lose sight of why you inflicted the pain of change on yourself. To keep going and finally enjoy the fruits of your labour, you need to continually remind yourself that it will be worth it.

In organisations, this vision disconnect is especially common with senior and middle managers who must juggle competing priorities between change projects and business-as-usual.

In one recent project I worked on, front-line client service staff initiated a major organisational change. They were aware that their clients' needs had changed in the last few years and were

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not being met because of outdated processes, policies and roles. Even the service centres were now in the wrong locations. The organisation formed a project team that conducted an extensive review of the service delivery model, consulting clients, staff, managers and external stakeholders. Two years later, the project presented its recommendations for major change to structure and roles, processes, policies and service centre locations.

As the project manager put it: "I spent two years pregnant with this baby, and when I delivered it, they said my baby was ugly". Key people at all levels resisted the change. They seemed to have forgotten that they had initiated the change and participated fully in the review. The project sponsor worked with the project team and my firm to deliver a series of change management activities that reconnected people with the vision, and implementation is now underway.

Recommended solutions include:

- Re-engaging the project sponsor to lead this stage of the change—participate, facilitate, coach, be involved. This is not the time to delegate.
- Hold management and staff forums to signal the transition between the design and implementation phases. Revisit why the change started (i.e. what was the vision) using stories, examples and case studies. Identify the implementation challenges ahead and the consequences of failure.
- Re-prioritise business-as-usual and change activities—resolve competing priorities.
- Provide change management training for managers, especially in building commitment and managing resistance in their teams.
- Openly acknowledge people's tangible and intangible losses. Support people with one-on-one and small group sessions. Communicate what will not change and the shared values that will continue.

In summary, mega projects can present major people challenges that can make or break the success of the change. Time invested in change management will produce a higher return on investment. ✦

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