Managing the Project Team as a Special Class of Stakeholder for Enterprise Transformation Projects

Heidi Ann Hahn, PhD, CSEP-Acq, PMP

Los Alamos National Laboratory

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Outline

- Introduction and Context
- Enterprise Project Overview
  - History
  - Stakeholder Definition
  - Project Organization
- Change Management Literature
  - Change vs Transition
  - Transition Process Life Cycle
  - Framework for Managing Change
  - Resistance to Change
- Observations and Lessons Learned
  - Organizational Lessons Learned
  - Stakeholder Management Lessons Learned
- Conclusions

Introduction and Context

- Enterprise transformation projects differ from other projects
  - Integrated product teams (IPTs) include internal staff members responsible for the system post-deployment
    - Client co-production approach is recommended as a best practice due to incumbent's knowledge of current technology platforms and organizational structure as well as business drivers for how processes are executed (Bettencourt et al [2002])
- According to Skyrme (1999) technology projects fail, not because of inadequate technical effort, but because of
  - Failure to identify all of the stakeholders
  - Lack of a driving force, failure to align missions and goals and the lack of mutual commitment
  - Lack of collaborative relationships among stakeholders

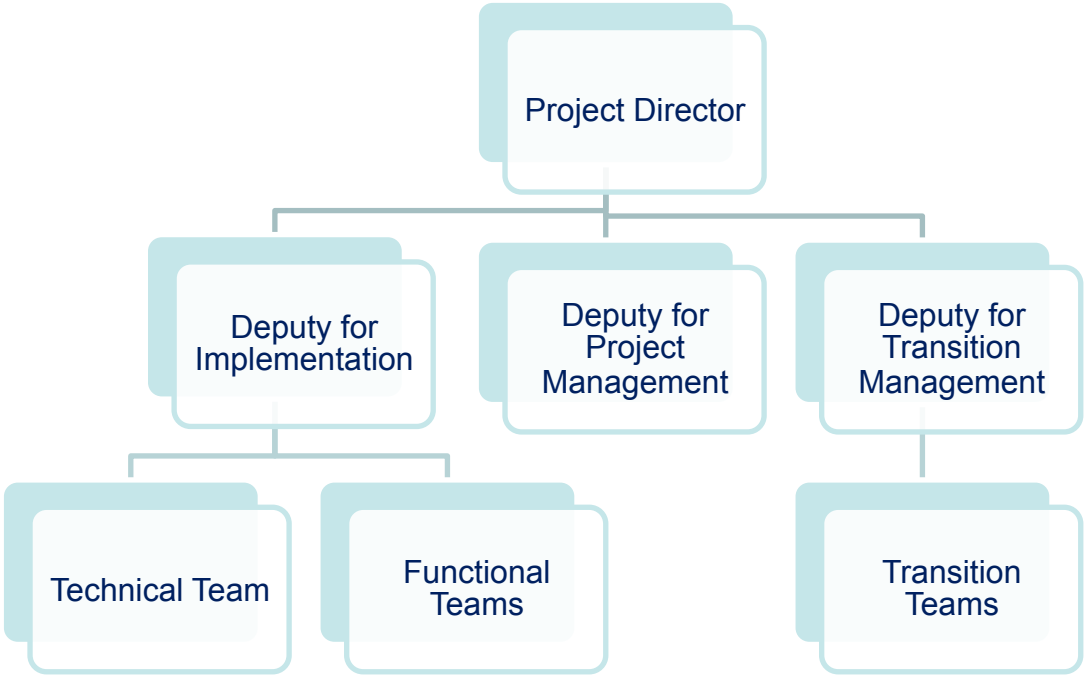
LANL's Enterprise Project

- Project objective was implementation of COTS Enterprise Resource Planning system to upgrade the technology platform to modern standards and improve efficiency of HR, Finance, Payroll, Procurement, and Project Management business systems
  - Launched in 2001
  - Determined to have "no chance of success" with existing project structure – which lacked both systems engineers and qualified project managers – in 2003
  - Reconstituted in 2004 with both project management and distributed systems engineering functions
  - Issued first "release" in October, 2004
  - Formally closed in 2006, with additional functionality released as part of the routine operation of the IT Department

Project Team Members: A Special Class of Stakeholder

- Defined stakeholders as individuals or groups affected by the project
  - Effects could be direct or indirect
  - Stakeholders could be internal or external to the Lab
  - Four classes: sponsors, advocates, change agents, end users
- Three roles in the change process: strategists, implementers, and recipients (Kanter, Stein, and Jick [1992])
  - Everyone ultimately affected by change, including IPT members responsible for the system after project completion, is a change recipient
- Because implementations may fail due to dysfunctional project teams, addressing the needs of IPT members may be a critical success factor for the project

Project Organization (Post-2004)



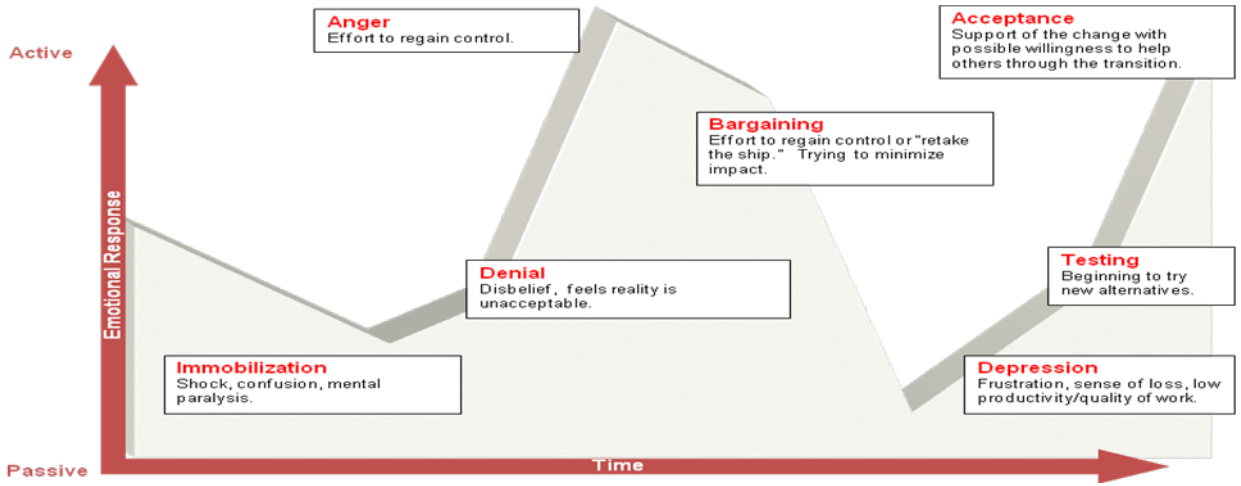
Applied the enterprise technology
Owned functional requirements, architectural design, configuration management, integration, verification

Responsible for acceptance and use of the system
Owned specialty engineering – human factors/ organizational development; process engineering/reengineering; procedures development; training; transition to production; sustainment

Change vs Transition

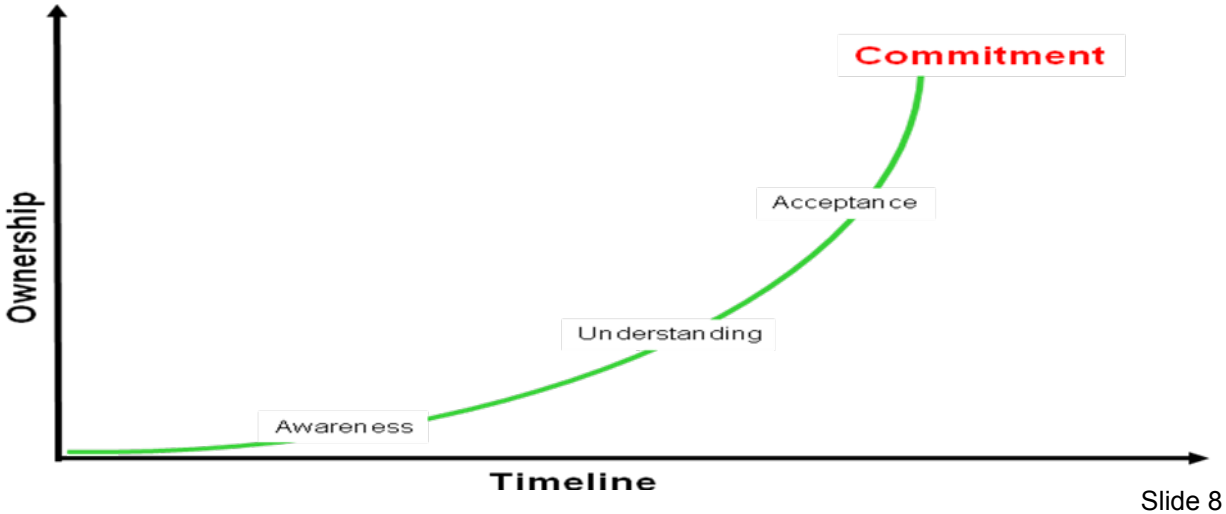
- "It's not the change that does you in, it's the transitions." (Bridges, 2003)
- Change → situational, external
- Transition → psychological, internal
  - The process people go through the adapt to new situations
  - Requires management of each stage of the process

Transition Process Lifecycle



Kubler-Ross's (1969) Coping Stages

Awareness-to-Commitment Curve



A Framework for Managing Change (adapted from Burke,1993)

Stage of Change	Pre-launch	Launch	Post-launch	Sustaining
Activities (some as suggested by Kanter, Stein, and Jick, 1992)	▪Communication –Establish the need for change –Develop shared vision ▪Planning –Assess culture –Determine organizational readiness –Determine accountability & responsibility –Review policies & systems –Plan for measurement & evaluation	▪Communication –Describe the changes ▪Implementation –Leave room for local participation and innovation	▪Addressing resistance to change –Conduct team building/ organizational development	▪Progress monitoring & continuous improvement –Implement standards, measures, & feedback mechanisms ▪Solidifying the new culture –Provide symbols & rewards
Desired Outcome	Awareness	Understanding	Acceptance	Commitment

Resistance to Change

- Lewin (1952) defines resistance to change as a restraining force to maintain the status quo
- Used Connor's (1995) resistance to change factors as a diagnostic to understand how different stakeholders would experience the different factors and to inform selection of interventions
  - Some reasons for resistance: lack of trust; belief that change is unnecessary or not feasible; economic threats; relative high cost; fear of personal failure; loss of status and power; threat to values and ideals; and resentment of interference

Organizational Lessons Learned

- Executive sponsorship
  - Tepid executive sponsorship at the outset created an environment where resistance on the part of internal project team members was tolerated
  - Aggressive executive sponsor set unrealistic expectations – which he "sold" to the workforce and to sponsors – about what the ERP system could do
  - ➢ Project's Executive Team and Executive Sponsor should have coached senior management "with backbone and heart" (O'Neill, 2000)

Organizational Lessons Learned (Cont'd)

- Organizational structure
  - Organizationally-defined silos resulted in a lack of partnership between business and technology development SMEs
  - ➢ Blended "release teams" reinforced ownership and made it more difficult to shift responsibility to other silos
  - Co-location of project team, away from team members' functional home, resulted in "out of sight, out of mind syndrome" and fearfulness
  - ➢ Hybrid organizational units with leaders having dual reporting relationships to the functional organization and the project
    - – Enabled reinforcement of accountability to home organization and project
    - – Project teams members represented by leaders with footing equal to other functional unit managers in the home organization

Stakeholder Management Lessons Learned

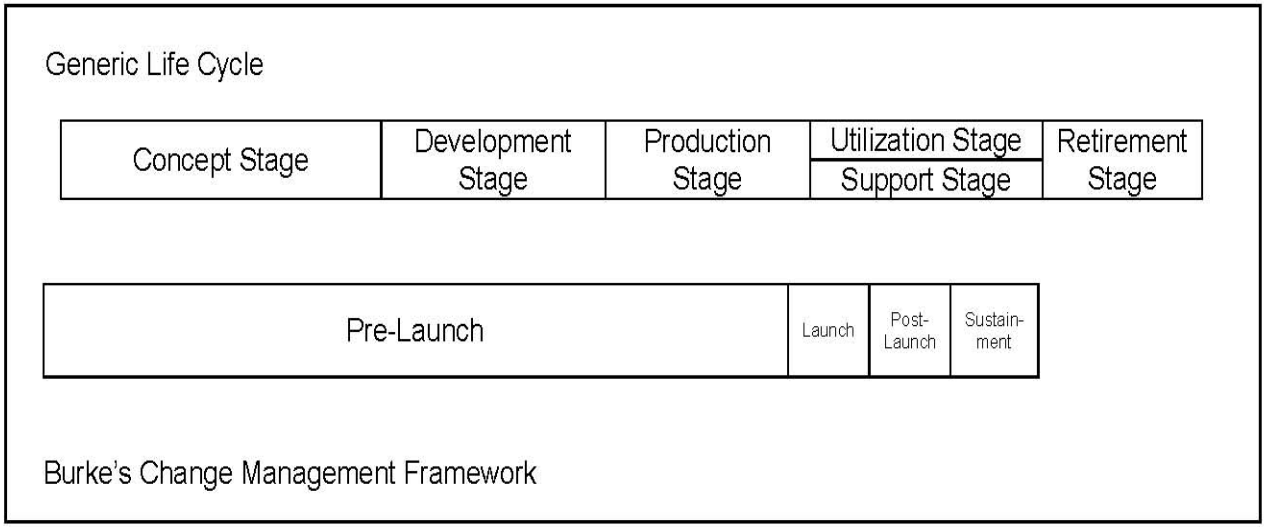
- Definition of stakeholders
  - Change management literature emphasizes focus on stakeholders who can help move change forward
  - Underestimated importance of system critics, adversaries, threats
    - Had some internal project team members in these categories
  - Heed Wasson's (2007) advice about identifying adversaries early and mitigating associated risks
    - Understand underlying interests and design interventions to counter them

Stakeholder Management Lessons Learned (Cont'd)

- Transition Process Lifecycle
  - Team members experienced Kubler-Ross's (1969) emotional stages to a greater or lesser degree depending upon their advocacy for the project
  - Project team members needed to go through the Awareness-to-Commitment Curve, but at an accelerated rate
  - Burke's framework not appropriate for managing transition requirements for IPT
  - ➢ Use a SE lifecycle model to understand transition requirements for IPT members

Stakeholder Management Lessons Learned (Cont'd)

Generic Systems Engineering Life Cycle Compared to Burke's Model



Stakeholder Management Lessons Learned (Cont'd)

- Requirements for Transition Activities and Artifacts
  - Timing, sequencing, and content of activities and artifacts for IPT members significantly different than for other stakeholders
    - Example artifacts for end users: business process descriptions, process flows, and procedures; R2A2 and staffing profiles; demonstrations, simulations, and "day-in-the-life" descriptions
    - Example artifacts for IPT members: training on new technologies and business application development tools; change agency skill development
      - Done early in the product life cycle to enable IPT to fully contribute during the product development cycle

Stakeholder Management Lessons Learned (Cont'd)

- Resistance to Change
  - Most significant change resistance factors for IPT members were
    - Lack of trust
    - Fear of personal failure
    - Threats to values and ideals
    - Resentment of interference and loss of status and power
  - Lewin's (1952) resistance to change definition led to a bi-modal view of stakeholders – supporter or resistor
    - Change management efforts focus on overcoming or mitigating resistance, and miss opportunities with supporters
    - Attributed failures of change management efforts with the IPT to forces too strong to be overcome
      - Limits alternatives – "change the people, or change the people"

Stakeholder Management Lessons Learned (Cont'd)

- Change the framing from "resistance to change" to "response to change"
  - The most prevalent response to change is ambivalence across a multi-dimensional set of attitudes – emotional, cognitive, and intentional (Piderit, 2000)
    - Ambivalence can be across dimensions or within a dimension
    - Consistent negative or positive responses are rare
  - Multidimensional view opens more options for dealing with project team members exhibiting negative behaviors

Conclusions

Stakeholder management strategies for IPT stakeholders must:

- Provide the executive sponsorship and organizational structures and reporting relationships that enable project team members to succeed both in their project roles and in their business function and/or technical roles
- Recognize the possibility that project team members may be system critics, adversaries, or threats and be prepared to develop mitigation tactics should that situation arise
- Realize that project team members move through the Awareness-to-Commitment curve just as other stakeholders do, but need to do so at an accelerated pace, and develop tactics to help their transition
- Appreciate that project team members who are advocates deserve equal attention to that given to detractors and include tactics that recognize and support their advocacy
- Take a multi-dimensional view that helps understand the subtleties and complexities of IPT members' responses to change initiatives
- Support human performance by providing internal project team members the training and education in the business applications and technology platforms, as well as soft skills such as change agency and executive coaching, that they will need to successfully launch and sustain the system
- Use a systems engineering lifecycle as a framework for planning transition activities and artifacts for the project team to ensure that transition requirements are complete

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