Leading "change" programmes.

In a changing world, organisations in every industry and market sector are faced with a stark choice: change or go under.   It is little wonder that executives in all corners of the business world find themselves involved in change programmes.   Sometimes they are leaders of change, sometimes members of task forces or project teams involved in change initiatives, and sometimes people whose whole environment is changed as their organisation attempts to transform itself.   Corporate change is a difficult and frustrating item on virtually every company's agenda.

In the midst of this maelstrom of activity, professional project management bodies are seeking to influence the debate—offering the processes, practices and disciplines of project- and programme-management as the key to managing change successfully.   But are we right to do so?   I suspect that for every major successful organisation that sees professional   project- or programme-management as the solution to corporate change there are many more that don't.   Why could this be?

Before we can attempt to answer these questions, we should consider two sets of problems frequently encountered with change programmes.   The first is based on specific research that has been reported in the business press, and the second on personal observations of change programmes during the past twenty years.

Common problems with "change" programmes

1.   Change programmes often fail to deliver.

Articles from Harvard Business Review throughout the 1990s (Such as Beer, Eisenstat & Spector's "Why Change Programmes Don't Produce Change" in 1990, or Hall, Rosenthal & Wade's "How to Make Reengineering Really Work" in 1993) cite research showing that a large percentage of change programmes fail to deliver the results that are promised from them.

Recipes for successful change culled from a large number of these articles include:

- Drive change from within the business on real business issues.

- Start by the CEO either being changed, or re-inventing themselves.

- Make sure that high-performing line managers visibly lead the change effort.

- Track real customer- and business benefits rather than progress against the plan.

- Appoint the "right" programme manager.

2.   Regarding change programmes as programmes can make things worse.

One major problem that I have observed with change programmes is the separation of the change "programme" from "normal" work.   It leads people to a mental model in which there is a distinction between work that is delivering the business results (normal work) and work that is designed to change
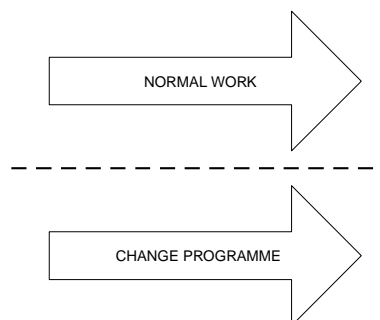
things and produce a separate payoff (the change programme).   At the extreme, the change programme is seen as "just another initiative" that interferes with "the real work"—not surprising in view of the poor track record of change programmes we have quoted earlier.

Taking these two problems together makes me ask myself whether having a management discipline called "programme management", that is distinct from general business management, makes this problem all the worse. This leads me to three questions that might hold some clues as to why programme management appears so different from within the project management profession than it does from outside.

Are change programmes "programmes" in the sense used by project managers?

The word "programme" is even harder to define than "project", and is applied to an even greater breadth of topic. If it is a struggle to define projects in a way that is meaningful (and virtually every text book on project management adopts a somewhat different definition), then how are we to cope with a sensible definition for programme? What is it that the development of a new family of aircraft, the economic regeneration of a country or the "re-invention" of a corporation have in common? Is it anything that allows the attachment of a label such as "programme"? Is the label "programme" so broad that it is unhelpful in providing meaningful management guidance on change?

Certainly the use of the word "programme" by the Defence establishment since the 1950s is far from meaningless. A whole set of guidelines and processes has been developed into standards such as C/SCSC that have been in regular use since the 1960s. It is also true that most business transformation activities in the 1990s involve major systems changes, and that IT projects that redevelop business-critical processes involve much more change than simply replacing the hardware and software and carrying out a certain amount of training.

CCTA's influential "Guide to programme management" defines programme management as "the co-ordinated management of a portfolio of projects to achieve a set of business objectives". It goes on the say that "Programme management provides the framework for implementing business strategies and initiatives and for managing multiple projects."

It is only a small step from this to equate "programme management" with the "management of change", and it is at this point that I seriously begin to question whether this isn't a "step too far". Can the management of "change" programmes be seriously compared with the management of programmes that are, in effect, "super-projects" or "project clusters"? That leads us on to the second question:-

What are the critical attributes of "change" programmes?

There are three aspects I want to explore, that are often not brought together. They are not meant to be definitive and comprehensive, but they pose some interesting challenges when taken together.

1. The change programme cannot be separated cleanly from line management.

The line is intrinsically involved in change programmes from start to finish. The new processes must be designed by people with an intimate knowledge of the business—i.e. from the line. As the implications of the new processes become clear, line management will need to re-organise itself, and

Current organisation, delivering current results, using current processes.	"Change" programme	Re-invented organisation, delivering greatly improved results, using transformed processes.

at some point in time there will inevitably be at least two management groups operating at the same time – a transition management team and an embryonic new management team. The transition team is likely to be managing the current organisation using the current processes, while elements of the new organisation are gradually brought into shape to start taking over. The new management team are likely to be in place to take over the new business as the design is implemented.

There will thus be a messy governance issue facing the "programme" throughout its life, with sponsorship and vested interests changing rapidly as key players become threatened, and as "winners"

and "losers" emerge in the jockeying for positions in the new organisation.   In other words, there will inevitably be a politically "charged" atmosphere throughout the programme.

2.   Leadership plays at least as much of a part as management.

Einstein's well-known dictum is that "you cannot solve a problem using the same thinking that created it in the first place."   Inevitably, therefore, change programmes will call on all levels of management to think differently, and to behave differently—to change the corporate culture in other words, starting with themselves!   This is a challenging leadership task that few accomplish effectively.   A 1993 Harvard Business Review Article pointed out that Kodak, IBM, American Express and General Motors had all recently sacked their CEOs for failing to deliver the promised turnarounds, in spite of massive downsizing, delayering and reengineering "programmes".

Chris Argyris has convincingly shown that senior management are often less able to learn than their more junior colleagues to learn new habits and behaviours.   Consequently, the leader of the change can expect at least as many problems from above as from below, and that calls for a special kind of leadership.

And yet we are much more prone to talk about programme management, than about programme leadership.   The books on programme management contain many more words about processes and about management structures, than they do about the critical need for "leadership" with all its attendant emotional challenges and demands on character.

3.   The leader of a change programme requires multiple skill sets.

Whoever is leading a "change" programme needs to have at least three sets of skills, not usually found in one individual, and not at all high on the list of skills usually developed by a project management education.

1. Business strategy skills that enable a clarity of vision about the intimate details and interconnected workings of the business case. All too seldom can businesses construct predictive models of the dynamics inherent in their organisation, supply chain, market or industry.   Instead, the most effective fall-back is the accumulated wisdom of those who have demonstrated their mastery through a successful track record.

2. The attributes of a credible leader who is able to embody the new culture, and to make the whole workforce learn to live out the new culture even while the threat of major change is hanging over everyone.   Incidentally, the project teams are likely to be among the first organisational nits that experience living out the new culture, and this will inevitably lead to potentially explosive organisational tensions when coupled with the political environment described above.

3. The skills of a superlative project sponsor, able to create the conditions that bring out the best in the project managers tasked with bringing in the component projects (such as IT,   re-location, marketing, customer relations) in an integrated and co-ordinated way.   Incidentally, the projects themselves may have differing characteristics calling for different kinds of project managers – some may be time-dependent, other resource-constrained and still more super-critical in some specific requirement.   And CITI's analysis of the profile of successful project managers indicates that each of these call for a different kind of project manager.

Who is best placed to lead "change" programmes?

So perhaps given these attributes, and the demanding skills required of the leader of change, it is not surprising that so many consultants are called in to provide the necessary external perspective, and "coolness under fire".   After all, I doubt if many brain surgeons operate on themselves—their hand might shake at a critical moment!

But here, even consultants can fail their clients.   All too often consulting firms are themselves organised into functional compartments, with the "culture change" team managed as a separate division from the "IT team" (usually containing the 'programme managers').   If internal, rather than external, consultants are used, then they may well act as a "programme office" and deal with the co-ordination and management of a portfolio of change projects, as described by Philip Holt in his very interesting case study of Royal Mail in last month's Project Manager Today.

I suspect that there is, however, an answer to the challenge of corporate change that embraces both the view from outside the project management profession, and the view from within it. It lies in the dual need for leadership and for management that is increasingly being recognised in organisations who recognise the need for both a CEO (Chief Executive Officer) and a COO (Chief Operating Officer. Without the disciplines of project- or programme-management "change" programmes will be inadequately managed, and yet without the leadership skills outlined above they will be inadequately led.

Perhaps the answer lies in the appointment of a "change programme leader" who is able to facilitate and co-ordinate a small group of line managers drawn from within the business and acting as both the governance group and the inspirational leaders. This small team should be supported by a "programme office" to take care of the vital programme-management functions. But the "change programme" as a whole needs to be passionately "owned" at a level within the business high enough to be responsible for results before, during and after the transformation, which might take as long as three years to deliver the promised benefits. And which is, itself, likely to spawn fresh changes in the never-ending struggle for corporate survival in a turbulent world.

These "change leaders" may or may not be drawn from the professional project management world or have a project management background. Up to now, there is no single strand of professional development that prepares people adequately for these unusual combinations of skills and competencies. If project management bodies wish to put forward a credible claim that "project and programme management" is the key to transforming a business and to implementing new and improved business strategies, then we should do two things. Firstly, we should emphasis both the virtues and the limitations of programme <u>management</u>. And secondly, we should raise the quality of attention that we pay to the <u>leadership</u> issues with which change programmes abound.

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This article is the third of a series that has emerged from conversations between Terry Cooke-Davies and Eric Wolstenholme. The conversations have ranged widely, in the context of a PhD thesis that Terry is submitting under Eric's supervision.

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