

The Integration of change management and project management

The Role of the PMO

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Abstract

Project Management and change management are considered as discrete management approaches, which require specific roles, specific methods and terminologies. While differentiation between these approaches provides clear structures and alignment; on the other hand, the practical application of project management and change management calls for these approaches to be amalgamated at an organizational level as well as at an individual level contributes to the management quality.

The specific aims of this paper would be to present the research questions, research methodology, and the early finding from focus-group workshop that was conducted June 2014. As a result, to demonstrate the benefits of integrating/ aligning project management and change management approaches. Explore the role of the PMO if an integration management model applies.

Keywords

Project Management, Change Management, Integration, alignment, PMO, CMO, and OCM

Research Questions

The research seeks to answer the following questions:

- 1- What are the benefits that an organization could gain in aligning /integrating project management and change management approaches?
- 2- How can project management and change management be aligned?
- 3- What is the role of the PMO, if an alignment is applied?

Research Design and Methodology

The research is based on the organizational paradigm of the Social Systems Theory (Luhmann 1995) and the epistemological paradigm of the Radical Constructivism (von Glasersfeld 1995) which are combined with a qualitative research approach (Cresswell 1994, Yin 2003). In this project of research, the following research methods are applied: Literature review, qualitative interviews with managers of project, managers of change, leaders of project management offices, and change management offices, case studies and focus group workshops (Morgan 1997) with experts from academia and practice to ensure the viability of the research results.

Literature Summary

Management approaches are value-based. Indeed common values for process, project, and change management, such as sustainable development, contribute to an integrative management approach. Sustainable development when incorporated by the organization, is called “corporate sustainability”; and it contains, similar to sustainable development, all three pillars: economic, ecological and social. These three dimensions interact (Ebner and Baumgartner, 2006, p. 13).

The relationships between, projects and changes are already addressed in the literature. For instance, it has been suggested in the change management and project management literature that projects and programs are a way of organizing change (Biedenbach and Söderholm, 2008 or Bresen, 2006). However, while research has been conducted in both change management and project management, there has been limited engagement between the two. It is a popular view in the project management community that projects managers are managers of change (Turner et al, 1996), while change manager are described to perform project and program management tasks (Newton, 2007; Lee and Krayner, 2003)” (Gareis, Huemann, 2010, p. 311). But there is a misperception regarding the relationship between changes and projects.

In fact Changes of companies are perceived to be managed within programs (Office of Government Commerce, 2009: Project Management Institute, 2009) instead of perceiving programs as organizations to manage changes (Gareis and Huemann, 2010). “The relation between changes and projects, change management and project management is vague” (Gareis and Huemann 2010, p. 311)

Moreover Lewin (1947) as well as Kotter (2007) refer in their change management approaches to the use of projects to deliver change. ”Without a sensible vision, a transformation effort can easily dissolve into a list of confusing and incompatible projects that can take the organization in the wrong direction or nowhere at all” (Kotter, 2007, p. 99). Consequently change management is defined as a comprehensive, cyclic, and structured approach for transitioning individuals, groups, and organizations from a current state to a future state with intended business benefits (PMI, 2014)

According to Margaret Rouse, change management is a systematic approach to dealing with change, both from the perspective of an organisation and on the individual level. A somewhat ambiguous term, change management has at least three different aspects, including: adapting to change, controlling change, and effecting.

For promoting professional management approaches, different management offices exist. Notably “the Project Management Office (PMO) is a critical organizational entity that, although it may differ in types and may perform different functions, should be focused on contributing to competitive advantage and adding value to an organization and its customers to achieve desired organizational performance.” (Karkukly, 2010). Little research has been done to shed light on PMOs dedicated to organizational change. Crawford (2004) addresses the PMO as an instance for developing project management dynamic capabilities, and Winch, Meunier, and Head (2010) present the PMO as both the subject and object of change. From this perspective, PMOs are not just a matter of organizational structure but are put into place to more or less accompany organizational changes leading toward strategic objectives” (Aubry et al., 2011, p.60).

Nevertheless, the relationship between project management and performance, as well as PMO and performance has triggered interdisciplinary research throughout the last 5 years. Performance is almost always the ultimate dependent variable in the literature on organizations in general and becoming a subject in project management literature (for reviews of literature see Crawford 2001, Cooke-Davis 2002, Hobbs and Aubry 2007, Dai 2007, Martin et al. 2007, and Müller 2009). There are many benefits to having a PMO, one is formalization and consistency in selecting projects, more effective coordination of multiple project. Second, improvement in project performance in terms of the triple constraints (cost, schedule, and scope); therefore, improved organizational profitability (Rad, 2001)

Early Findings

In a recent focus-group workshop that included leaders in the PMO, CMO, program, project, and change leaders across multiple industries with the aim to answer the research questions above. Some of these leaders represent organizations that have integrated project management and change management, while others represent organizations that are developing their change management and project management alignment. All respondents view the alignment of the two disciplines to have various benefits to their organizations. In addition to the great network opportunity that these leaders had, they shared their insights and experience on the current practices with in change and project alignment.

The overall views on project management and change management that although they are separate disciplines, they are perceived to be complementary disciplines; therefore, they need to work in collaboration, to ensure increased project and program success, as well as increased adoption and usage of the outcome. More organizations are realizing that delivering the end product whatever that might be, is heavily dependent on changing employees' behaviours and mind sets to ensure successful adoption.

Alignment Benefits

To address the benefits organizations gain in integrating project management and change management, the workshop respondents had broken the benefit into: project and program benefits, departmental or divisional benefits, then organizational benefits

Project and program benefits

According to the respondents, the main benefit is the Improvement of the rate of adoption of the project. That increases the likelihood of project and program success while meeting the project criteria,. Further, having the project and program managers be more effective change leaders through training and different types of projects to diversify their skill sets. As a result, expands the role of the PMO in adding a new service offering in training project and program managers in change management

On the individual level within a project or program, the benefit comes clear in integrating the two disciplines to remove barriers to decisions and speed delivery. On the project and program level, understanding and planning change will help reduce the number of project change requests (PCR's). Further, the respondents pointed out that the alignment helps to improve stakeholders' expectations and certainly sponsor expectations by assessing their change tolerance. Besides, the integration improves the role of the sponsor as leading and supporting

planned change initiatives and encouraging change assessment on his or her project. Thus, this increases the stakeholder satisfaction as a result of improved project and program outcomes

Departmental or divisional benefits

Normalizing the level of change on projects and programs as well as across the functional organization was seen as one of the main benefits by all respondents, second, was better management of cross functional risks to integrate and align change management and project management practices. Followed by the ability to assess the level of interdependency of absorption /capacity rate to ensure the people change is happening. Fourth, provide the organization with more services such as making the role of the project manager and program manager more effective (offering PM’s with alternatives). Fifth, improve planned change from a portfolio perspective enabling through understanding of the risks that arise from change and interdependencies of these changes. Sixth, improve rate of adoptions cross functional and at the departmental level of change initiatives and ensuring productivity is sustained during the change. Finally, focus on learning and understanding the typology of change; hence, be able to understand the network of change within the organization

Organizational benefits

All workshop respondent agreed that ensuring benefit ensuring benefits sustainment is one of the main key benefits. Executives today are looking for ways to sustain benefits as a key area for executive buy-in. Second, improve cultural alignment as building culture that ensures the people change is cared for, planned, and successfully implemented. Third, improve organizational change risk management as a main driver to integrate and align change management and project management practices. Fourth, allow organizations to be able to better shift organizational priorities and enable these organizations to understand the risks that arise from change and associated interdependencies. Finally, improve rate of support and adoptions for executives at organizational level. As a result, allow organizations the ability to track project and program benefit realization, and change benefit realization. Below is a summary table for the benefit types and their related elements

Benefits	Benefits Detailed Elements
Project and program benefits	<ul style="list-style-type: none"> • Improvement of the rate of adoption of the project. • Training project and program managers to diversify their skill sets. Expand the role of the PMO in adding a new service offering • Remove barriers to decisions and speed delivery. • Help reduce the number of project change requests (PCR’s). Improve stakeholders’ expectations and certainly sponsor expectations • Improve project and program outcomes
Departmental or divisional benefits	<ul style="list-style-type: none"> • Normalizing the level of change on projects and programs as well as across the functional organization • Better management of cross functional risks to integrate and align change management and project management practices. • Ability to assess the level of interdependency of absorption

	<p>/capacity rate to ensure the people change is happening.</p> <ul style="list-style-type: none"> • Provide the organization with more services such as making the role of the project manager and program manager more effective (offering PM's with alternatives). • Improve planned change from a portfolio perspective enabling through understanding of the risks that arise from change and interdependencies of these changes. • Improve rate of adoptions cross functional and at the departmental level of change initiatives and ensuring productivity is sustained during the change. • Focus on learning and understanding the typology of change.
Organizational benefits	<ul style="list-style-type: none"> • Benefits sustainment for executives buy-in. • Improve cultural alignment • Improve organizational change risk management • Allow organizations to be able to better shift organizational priorities • Improve rate of support and adoptions for executives at organizational level. • Ability to track project and program benefit realization, and change benefit realization

Areas of Alignment

The workshop members listed areas of how project management and change management can be aligned. Below is a table summarizing the areas of alignment.

Areas of Alignment
Objectives and outcome
Common language and terminologies
Processes and methodologies
Roles and Responsibilities
Tools and Resources
Training and Awareness
Stakeholder Management

The main area of alignment would be understanding objectives and outcome of the alignment between the two disciplines. Project and change methodologies advocate for the identification of objectives aligned to outcomes however they differ in their paths as projects will generally speak in terms of team deliverables while change will be looking for capability shifts in people. All respondents agreed that objectives should be part of the scope of project management; outcomes are modified by change management as needed. The focus for projects and programs should be

on the business outcome, while the change should focus on instilling the desired behaviors towards the business outcome.

The second area of alignment would be to streamline language and common terminologies between the two disciplines. Even within the one discipline, it is important to align the terminology to an organization standard. Third area of alignment would be processes and methodologies. Project and change methodology should be aligned from the start of a project or a program. The alignment will drive positive energy and focus the teams on the results, and save time in outlining the required activities. Both methodologies change and project advocate for similar activities in similar timeframes of the project, however the challenge will be in prioritizing these activities and the ownership of these activities to avoid duplication and confusion.

Forth area is alignment of the roles and responsibilities, including clarity in roles definition of project managers and change managers. Integration of the activities is required by the project manager and change manager into a holistic plan, as well as aligning with the project sponsor and the project team.

Fifth area would be alignment of tools and resources. Identifying standard tools for both project managers and change managers is very important, and re-thinking current tools in place and ensuring that it influence collaboration between change managers and project managers. Provide “how-to” tools to ensure that in absence of having a change manager on a project, the project manager is trained and comfortable to step into that role knowing what is required, depending on the size of the project. Another area is to integrate templates and tools allowing for specificity around project related activities and change related activities; scalability of templates in project and change depending on the rigor required are a key factor for success.

The sixth area is training and awareness, educate executive sponsors, project managers, business analysts, communicators, trainers and other key project resources on change management principles and methodologies. Further, training the project managers on change management to expand their skills and understand the typology of change, while training change managers on project managers also widen the understanding of how change management deliverables align in every project with the project deliverables.

The final area is a very critical area to align: stakeholder management. Communication with stakeholders, sponsor included, is key when changes impacting scope, schedule, cost, or quality of the project. Identification of stakeholders impacted by project delivery is key as well as identifying these stakeholders’ motivators for adoption. The larger and more complex a project or a program is, the greater the stakeholder management is required. Alignment of stakeholders’ roles and expectations are two key areas to deliver successful alignment between project, program, and change management

PMO’s Role in Change Management and Project Management alignment

The focus groups and especially the PMO and CMO leaders in the group envision the role of the PMO to take the lead in integrating change management and project management. Although depending on the placement of the PMO in the organization. If the PMO is at the enterprise level, the mandate to take on the alignment of CM and PM would be successful versus if the PMO is embedded at the departmental level, especially in IT where alignment would be more

difficult. As the mandate of most PMO's as seen by literature and confirmed by the respondents, PMO can play a major role in training the project managers and change managers on project and change. PMO can create a role based training on project management and change management.

Further, PMO can educate the organization on language and terminology used. PMO can influence the alignment of CM and PM framework to better deliver on a change, a project and / or a program. PMO is the link between business and technology and between strategy and projects; therefore, it contributes to establishing governance framework and contribute to organization strategy. PMO can contribute to establishing standards for project and program, and to incorporate CM standards. PMO leads the training of project managers and program managers on change management competency. Assesses the capability of project and program management and the capability of change management in the PMO. Delivers on organizational benefits, and incorporate OCM reporting as part of overall PMO dashboard reports.

Conclusions

This research is set out to answer three questions. First, what are the benefits that organizations gain in integrating project management and change management approaches. From the early findings, the focus group workshop listed the benefits at three levels. One, at the organizational level, second, at the functional or departmental level, and finally, at the individual, project and program level.

Second, how can project management and change management be aligned and integrated? The focus group listed critical seven areas that alignment would be needed and these are: (1) objectives and outcome, (2) language and common terminologies, (3) processes and methodologies, (4) roles and responsibilities, (5) tools and resources, (6) training and awareness, (7) stakeholder management.

The last question was: the role of PMO as an integrated management office for project and change if an integration is possible. The PMO's role remains as the oversight for project and program governance as well as standards setter. Further, it is seen that the role needs to include assessment of change within the PMO, influence change management within the organization, report on change management as overall enterprise dashboard, and finally train project manager and program managers to build change management competency and diversify their skills

In the early findings, the author highlights the results of recent workshop with industry leaders in the areas of project, program, and change management to provide their knowledge, experience, and perspective on the areas of integrating PM and CM which is shared above in answer to the research questions. The next steps will be to further refine the research based on these findings and analyze current practices in the area of integrating CM and PM and role of the PMO in this integration; and introduce 2-3 case studies of organizations that have gone through the alignment and integration journey

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