7-14-2010

Factors that influence and are influenced by change projects

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Factors that Influence and Are Influenced by Change Projects

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Abstract

Organizational changes are often achieved through disciplined project management. Change management and project management are two disciplines that draw upon different theoretical frameworks but rely on each other to achieve an organizational goal. While organizational change deals with stakeholders, relationships, and strategy, project management is focused on achieving tasks through a linear, logical process. As a result of these opposing focuses and the requirement to lead projects together, the relationship between the two can create tension. Achieving an organizational change has additional challenges beyond this potential tension between the two disciplines. The organization in which the project changes are being applied has certain characteristics that may make it easier or more challenging for changes to be accepted. The organizational characteristics that have emerged in this study are described as “organizational factors” which either support the introduction of the change or stand in its way. Organizational factors both influence and are influenced by project changes and may do so in a positive or a negative way. This paper reports on the results of three in-depth case studies that highlight the influence of organizational factors on the management and success of organizational change projects.

Keywords: context, organizational factors, organizational change, project management
Factors that Influence and Are Influenced by Change Projects

Introduction

In today’s organizational change projects, it is typical to find both a project manager who focuses on the overall project tasks and a change manager who generally looks after the relationships and the requirements of the stakeholders. Other than the identified tasks that the project needs to achieve and the stakeholder relations’ requirements, there are organizational factors that both influence and are influenced by the project execution. Examples for some of these factors include the experience of people within the organization with previous changes, the leadership support for the change, the extent to which systems and processes are changed, and the organizations capability to work as a team. All organizations contain a variety of these types of factors that influence, and are influenced by the project efforts.

Despite the efforts of both a change manager and a project manager to achieve the project goals, there are many cases where organizations may still fail to achieve their goals, and in some of these cases, this can be attributed to characteristics of the way the organization operates, which may be described organizational factors. Organizational factors can either support the execution of the project and expedite its success or make it tougher for the project to achieve its goals. In many projects, organizational factors are planned for and managed through change management. The need for change management effort may be decreased when the organizational factors are supportive of the project changes.

In order for a project to ensure it achieves its goals, it is important that the project team, both the change manager and the project manager, understand the context. They both need to know how organizational factors may influence the project and how the project may be influenced by the factors. Also, they both need to know whether the factors identified are likely to have a positive or a negative impact on the achievement of the project goals. This paper draws on three in-depth case studies of change projects to identify those organizational factors that had the most influence on the projects, and the nature of the impact, whether positive or negative. Implications for the management of change projects are discussed.

Background

Organizational changes are triggered by internal and/or external factors and come in all shapes, forms, and sizes, affecting all organizations in all industries (Carnall, 2003; Luecke, 2003; Burnes, 2003; Burnes, 2004; Balogun & Hope Hailey, 2008). Within the organizational change and development literature, there is widespread acceptance of the importance of context in influencing attempts to change individual and organizational practices (Dopson, Fitzgerald, & Ferlie, 2008). Context is a complex construct, which, to be understood, must be broken down into component attributes, which we refer to as
Factors that Influence and Are Influenced by Change Projects

Writers on the subject tend to focus on specific aspects of the context and how these influence change initiatives. The reflexive nature of these influences is well recognized. As Fitzgerald, Ferlie, Wood, and Hawkins (2002, p.215) pointed out, “the behavior of the stakeholders and the features of context are interlocked. The combination of multilayered, two-way influences, multiple stakeholders with interpretative schemes, innovation seeking behavior by individuals and groups, and differing absorptive capacity in organizations, produces a situation in which context is an actor.” In this paper, we will focus on inner context, defined by Pettigrew, McGee, and Ferlie (1992) as encompassing organizational structure, corporate culture, history, and political factors affecting the achievement of change.

In the project literature, Pellegrinelli (2002) and Pellegrinelli, Partington, Hemingway, Mohdzain & Shah (2007) dealt with the organizational context, considering the influence of organizational factors on a projects’ success. Pellegrinelli (2002) stated that projects and programs may have a particular role in shaping the context and aligning and embedding the project or program work to fit with the organizational needs. Not only do projects have an influence on organizational factors but also there is significant influence of organizational factors on the project success. The relationship works both ways. Pellegrinelli et al. (2007) stated that the more a project or program seeks to have a profound and wide reaching influence on the organization, the greater the importance of dealing with the organizational factors and their influence on the project success. He suggested that it is rare to find a project that actively takes advantage of the organizational factors for its purpose or utilizes these factors to achieve success. His findings show that most project managers are intuitively aware of the influence of these factors and how important they are to the success of the project but this awareness is not, according to Pellegrinelli, enough. The factors need to be adapted to the requirement of the project and project managers are rarely systematic or proactive about dealing with the factors as part of their projects (Pellegrinelli, Partington, Hemingway, Mohdzain, & Shah, 2007).

As indicated previously, organizational factors influencing change projects include organizational structure, culture, history, and politics (Pettigrew, McKee, & Ferlie, 1992). Of these, one of the most critical factors for projects is culture, yet according to Morrison, Brown, and Smit (2006) as well as Pellegrinelli et al. (2007), project management literature has taken a superficial view of culture to date and has not dealt with the significance of its influence on a project’s success or failure. Culture, like context, is a complex construct and Morrison et al., in examining the implications of culture for project management, suggested 12 dimensions that together construct the organizational culture. These dimensions are: organizational direction, competitiveness orientation, decision-making rationale, cross-functional integration, communication philosophy, locus of decision making, people management style, flexibility, philosophy about people, personal competency, process and systems support, and performance
management. The authors say that whether or not behavioral change is required, part of the project depends on the fit between these 12 dimensions and the project’s goals.

In a study of CRM implementations in three financial institutions, Shum, Bove, and Seigyoung (2008) identified six organizational factors that emerged as influencing the conduct and outcomes of these enterprise-wide change initiatives. These factors were organizational culture, facilitative leadership, cross-functional integration, training, communication, and technology. Despite the magnitude of the changes to business processes and workflows, only one of the financial institutions treated the implementation as a major transformation and focused a large part of its project budget “on change management and organizational factors critical to the implementation” (2008, p.1365). Notably this was the most successful of the three change projects.

Clearly, organizational factors and the way they are managed have significant influence on the success or failure of projects. Context is an important theme in the change management and organizational development literature but has received little attention in the project management field. This paper draws on analysis of three in-depth case studies with the aim of contributing to knowledge and practice concerning the influence of organizational factors on the management of organizational change projects.

**Methodology**

Three case studies of organizational change projects were studied in three different organizations. Both organizations and change projects were carefully chosen to provide as much control as possible over variation. The three organizations were of similar size but in three different industry sectors:

1. A large telecommunications company with 9,000 employees (Telco);
2. A financial institution with 12,000 employees (before a merger, under which grew it to 30,000) (bank); and
3. A public university with 10,000 employees (university).

To have as much control as possible over the type of change project, its influence, and its measurability, the change projects were also chosen based on a set of criteria:

- **Type of change**: All change projects are an implementation of an organization-wide IT system. These are the most common changes found in organizations today.
- **Number of influenced staff**: Each organizational change has been implemented for a minimum of 1,000 people and a maximum of 3,000 people within the organization.
• **Project expenditure**: Cost for implementing each of these major technological implementations ranges from $5 million up to $20 million.

For all projects, the change had already taken place, the project had been completed, and the results of the change had been measured or could be estimated. The change projects were chosen on the basis that there was successful implementation as perceived by the sponsor. Critical to the choice of the project studied was that one was managed by a change manager, one by a project manager, and another by both a change manager and a project manager.

For each project, interviews were conducted with the leader(s) of the change project, whether that was the project manager, the change manager, or both; the sponsor of the change project; three employees influenced by the organizational change; and a project team member (Figure 1).

![Participant Structure Diagram](image)

**Figure 1. Participant Structure**

Interviewees were asked to participate by each organization’s project sponsor. Semi-structured interviews were conducted, transcribed, and then analyzed using grounded theory techniques (Strauss, 1990) with the aid of NVivo qualitative analysis software. The aim of the analysis was to identify emergent themes concerning organizational factors that influenced the success of the projects, either positively or negatively.
Organizational Factors Influenced and Influencing the Project

As outlined in the literature review, there are many organizational factors that influence business change projects, for example, the organization’s structure, size, project capabilities, customers, leadership, competition, culture, teamwork, and change readiness. Organizational factors both influence and are influenced by the project.

There was clear evidence that the three projects studied all had influence on and were influenced by organizational factors either positively or negatively. The nature of the influence was moderated by how well the factors were planned for and managed. The organizational factors that were found to be significant in the case studies were similar to those identified by Shum et al. (2008), which used a similar methodology and also dealt with information systems projects. Each of the factors that emerged as significant in analysis of the case study interviews is presented in Table 1, which includes a brief explanation of the nature of the influence. This is followed by detailed discussion of each of the factors illustrated by quotations drawn from the case study interviews.
Table 1. Identified Organizational Factors and How They Influence and Are Influenced By the Project

<table>
<thead>
<tr>
<th>Factor</th>
<th>Nature of influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational culture</td>
<td>The organizational culture refers to the way people behave in the organization—towards their job and each other. This factor will have a strong impact on how easy or difficult it will be for the project to be successful</td>
</tr>
<tr>
<td>Resistance</td>
<td>Projects that are meant to implement changes into the organization often encounter staff resistance. Resistance influences the way the project is run as it needs to be planned for and addressed in order for projects to succeed. It is also influenced by the project as the project implementation is likely to either increase resistance or decrease it, depending on how well the project change is managed</td>
</tr>
<tr>
<td>Teamwork</td>
<td>The better the teamwork in the organization, the more likely it is that employees will support each other through the change</td>
</tr>
<tr>
<td>Degree of leadership support for the change</td>
<td>All change projects should make an effort to increase leadership support to the project. Leadership support is key to successful implementations. Some change projects may be driven by leadership. Others may need to enlist and nurture leadership support.</td>
</tr>
<tr>
<td>Organizational communications</td>
<td>The project may be very proactive about explaining the change to the organization, or it may focus more on the tasks of the project. Whichever the case may be, organizational communications in general and specific to the project can be influenced by the project and will also influence the extent to which the project needs to ensure the relevant people are across the project changes</td>
</tr>
<tr>
<td>Organizational systems and processes</td>
<td>As stated, the project has a degree of decision making in relation to how many systems and processes are impacted by the change. Systems and processes will also influence the way the project implements its solution as it would need to work with and adapt to certain systems and processes</td>
</tr>
<tr>
<td>Organizational structure</td>
<td>The organizational structure can influence the way the project is run. If the organization is hierarchical, the project will need to consider ways to communicate to the various levels. Alternatively, if the organization is flat, the project will need to consider who has the influence necessary to assist the project in achieving the project goals. Some projects are meant to change the structure by adding/removing organizational levels</td>
</tr>
</tbody>
</table>
Factor: Culture

An organization is a social construct that operates beyond the project itself and has multiple characteristics that influence the success of projects regardless of how well the change or behavioral component of the project is handled. As stated earlier, organizational factors are reflexive. They interact with one another and with the change initiative. In this respect, organizational culture can be seen as a mega factor as it influences and is influenced by all other factors, which in turn are often used as attributes contributing to the understanding of organizational culture. Morrison et al. (2008), for instance, used 12 different factors to define what they describe as the organizational culture construct. Based on the data in the study reported here, it was decided to treat culture as a factor in its own right while recognizing its interaction with all other factors identified.

Schein (1992) described organizational culture as a pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration. Trice and Beyer (1993) also connected culture with environment, seeing organizational culture as a collective response to uncertainty and chaos. According to Deal and Kennedy (1982) culture is a comprehensive and multidimensional subject and is seen as a system of informal guidelines. Managing Successful Programmes (Office of Government Commerce (OGC), 2007), refers in detail to the role programs have in implementing change. This publication suggests that the organizational cultural component needs to be addressed as part of the implementation of the change.

In the study reported here, respondents in interview primarily referred indirectly to culture as either being supportive or unsupportive of the change that took place. The only case study that demonstrated a culture that actively supported the implementation of the change was the Telco case study. This was the case study that did not have a change manager and according to the interviewees, the change was successful as a result of a supportive culture, including good leadership, teamwork, and organizational support for the project.

<table>
<thead>
<tr>
<th>Reported Culture Factors</th>
<th>Positive Influence</th>
<th>Negative Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good leadership</td>
<td>Telco</td>
<td></td>
</tr>
<tr>
<td></td>
<td>University</td>
<td></td>
</tr>
<tr>
<td>Teamwork</td>
<td>Telco</td>
<td></td>
</tr>
<tr>
<td>Organizational support</td>
<td>Telco</td>
<td>University</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bank</td>
</tr>
</tbody>
</table>
An affected staff from the Telco case study expressed appreciation for the culture, which was supportive and encouraged everyone to work together and make an effort to achieve the desired project change.

- Telco, affected staff: “[There was a] whole of [Telco] team environment and everyone willing to assist.”
- Telco, affected staff: “[The project] could have ended very poorly but we had a very professional team which is why it didn’t go as badly as it could have.”

At the university and the bank case, the culture did not seem to be as supportive, and there was significant requirement for change management to plan and manage any cultural interference to the project. The sponsor of the bank project expressed disappointment with the culture, which allowed people to just revert back to what they were doing before the change and did not provide enough support for the change:

- Bank, sponsor: “One of the fears we had was that managers would revert back and ignore the information; the information helped identify who were the incompetent managers.”

The project sponsor of the university case study suggested that although the dean was supportive of moving forward, the culture of the organization allowed managers reporting to him to resist the project and the changes required for its implementation.

- University, sponsor: “[Change manager] spent a lot of time around the difficult people. The Dean would agree to move forward but the faculty didn’t move it forward.”

Culture is the sum of many other factors; however, it also stands on its own. When a culture is overall healthy, positive, and supportive of the project goals, it is easier for the project to achieve its outcomes. An example can be found in the Telco case study, where it was suggested that without the culture, they could have ended up with a failure. However, when a culture is unsupportive, there is a requirement for greater planning and management of factors throughout the project.

**Factor: Change Resistance**

Change resistance can be seen as directly associated with culture, as suggested by Morrison et al. (2006). When the cultural aspects of the project are not dealt with, there is greater resistance to the changes being implemented. Researchers of culture tend to view cultures as stabilizing forces within organizations and use the concept of culture to explain resistance to change. Resistance to change can be seen as arising from threats to traditional norms and ways of doing things (Senge, 1992). In the three
cases studied in this paper, there were various mentions of staff resistance to change throughout the interviews. Consistent with the indication of a supportive culture at the Telco, reference to staff resistance was mainly apparent in the bank and the university projects. For both of these projects, every interviewee discussed issues that affected the project and were caused by people’s resistance to the project changes.

Table 3. Change Resistance

<table>
<thead>
<tr>
<th>Reported Change Resistance Factors</th>
<th>Positive Influence</th>
<th>Negative Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extra work to implement change</td>
<td></td>
<td>Bank</td>
</tr>
<tr>
<td>Disturbance in day-to-day work</td>
<td></td>
<td>Bank</td>
</tr>
<tr>
<td>Additional accountabilities</td>
<td></td>
<td>Bank, Telco</td>
</tr>
<tr>
<td>New reporting relationships</td>
<td></td>
<td>Bank</td>
</tr>
<tr>
<td>Large degree of change</td>
<td></td>
<td>Bank</td>
</tr>
<tr>
<td>Culture of talking, then doing nothing</td>
<td></td>
<td>University</td>
</tr>
<tr>
<td>Minimal involvement of affected parties</td>
<td></td>
<td>University</td>
</tr>
</tbody>
</table>

- Bank, sponsor: “The negative influence on staff was] resistance to change, extra work in implementing the system, disturbance to day-to-day work; they were worried about the additional accountabilities.”
- Bank, IT project manager: “IT people resisted the system more due to the fact that it was a greater change for them. Also, they saw it as a takeover [they had to change] workflow, personnel reporting, etc. [and] they wanted to be different.”
- University, change manager: “The stakeholders weren’t engaged enough in making the project successful and it wasn’t working as a team.”
- University, sponsor: “If people’s preparedness to engage was reasonable it would have been easier, but there is a strong passive resistance in the university so people agree as they sit around the table, then they leave and do nothing.” Another quote from the same interviewee regarding change resistance: “If we were more mature we could have gotten more. Partly because of this project we understood more about the change and what we can do and need to do as part of the changes.”
• University, affected staff: “These [sessions] were organized by the change manager—the university people don’t volunteer/participate, it’s a cultural thing. There were multiple sessions on various campuses—but only a small number of people showed up.”

The only mention that may be attributed to change resistance as part of the Telco project is made by the Telco sponsor, where he suggests that people were unhappy with the change because they needed to take ownership over their new responsibilities.

• Telco, sponsor: “The negative feelings people are experiencing as a result of the project are that they can no longer blame the vendor and they need to work longer hours.”

Although the Telco project sponsor does not mention any specific behaviors that accompany these negative feelings, from what he says one can assume that there was somewhat of a “blame” mentality that the project had to change. An interesting difference here (where the culture was considered positive), however, is that the negative feelings about the consequences of the change did not translate into resistance to the change. It was made evident elsewhere that the people involved in and affected by the project all understood the change and agreed that it was necessary even though they might still grumble about the consequences.

The positive influence of a supporting culture is even more significant here, as the Telco project was a more extensive undertaking than those in the bank and the university, involving more changes to roles and structures. Given the significance of the changes involved and the lack of change management practices employed on the Telco project, it may be considered surprising that the project was a success especially as there is evidence to suggest that likelihood of success declines as the level of personal and environmental threat perceived by staff increases (Gray, 2001). The fact that resistance to change in the Telco project was hardly mentioned may be attributed to the overall culture in the Telco. According to Alas and Vadi (2006), commitment to the organization, which can be a result of the organizational culture, decreases change resistance. There is further evidence of this commitment through the “working as a team” factor.

Factor: Working as a Team

The type of team dynamics within an organization is also a symptom of its culture and its ability to achieve project goals (Morrison, Brown, & Smit, 2006). Throughout the case studies, there were very clear distinctions between organizations that had healthy team dynamics and knew how to work in teams to achieve the project goals and those that did not. This is best illustrated by the differences between the Telco and the university.
### Table 4. Team Dynamics

<table>
<thead>
<tr>
<th>Team Dynamics Factors</th>
<th>Positive Influence</th>
<th>Negative Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of existing teams</td>
<td>Telco—environment of teams</td>
<td>University—few teams</td>
</tr>
<tr>
<td>Stakeholder engagement</td>
<td></td>
<td>University</td>
</tr>
</tbody>
</table>

The university project sponsor explained that because not everyone in the organization was committed to the project and supported it, they had to move forward despite this behavior. The team dynamics in the organization as a whole did not fully support the project, and the project had to rely on the few teams that did support the project to help push it forward.

- University, sponsor: “One thing to do is move on when things aren’t moving and round them up later. You win over those who want to have a part. The ones that don’t come on board will eventually [do so] when they see the rest joining.”

The university change manager echoed the university project sponsors’ view that team environment was lacking in pushing the project forward.

- University, change manager: “The stakeholders weren’t engaged enough in making the project successful and it wasn’t working as a team.”

At the Telco, there was no change manager and interviews included numerous references to issues such as “not having processes,” “not being communicated to,” and “not receiving proper training for the change.” However, good team dynamics and the team’s ability to pull together and work through their change management issues assisted in making the project successful. These positive team dynamics in the Telco project were directly mentioned by several affected staff members as the reason for the eventual success of the project.

- Telco, affected staff: “[There was a] whole of [Telco] team environment and everyone willing to assist.”

- Telco, affected staff: “The positives – team effort.”

- Telco, affected staff: “[The project] could have ended very poorly but we had a very professional team which is why it didn’t go as badly as it could have.”
As seen in the previous quotes, in the university, the organization did not work as a team to achieve the project and this slowed the project down and made it more difficult to achieve the change. On the other hand, in the Telco project, the team dynamics were supportive of the project. This, according to interviewees, was the main reason for the success of the Telco project, and it is the only apparent explanation for the project not suffering despite lack of attention to change management issues. This finding is supported by Campobasso and Hosking (2004), who said that the decision about who is part of the team can make the difference between success and failure of a project, and very often it can distinguish projects that move rapidly to completion from those that seem to wallow for months or years.

**Factor: Leadership**

According to some of the interviews, leadership also played a part in the overall culture that influenced the way the project was accepted and implemented. Schimmoeller (2007) found that if the organizational leaders are supportive of the project, the project has a greater chance of being accepted by the affected staff. His PhD research also determined that specific types of organizational culture favor particular styles of leadership. Therefore, although leadership is an individual characteristic, it is also consistent throughout a particular culture. Longman and Guttman (2006) conducted a study in which they rated project leaders and found that very few senior leaders understood the importance of their involvement in supporting the project and modeling the behaviors required by the project. Dulewicz (1992), Dulewicz and Higgs (2005), Wren and Dulewicz (2005), and Young and Dulewicz (2005) have all referred to the importance of leadership in change projects. According to their research, certain types of leadership behaviors, specifically leaders with greater self-awareness, are more useful in implementing changes. Pellegrinelli et al. (2007) supported this idea and suggested that change fatigue or readiness to accept changes can be improved by choosing the right leadership style.

The following are some examples for how the organizational leadership supported or hindered the achievement of the three project goals in the three case studies investigated.
The bank project sponsor expressed disappointment in the managers in the bank, saying that they were not showing leadership and were ignoring information for fear of having to have difficult discussions with their team members about their poor performance. This is another element that impedes achievement of the project goals.

- Bank, sponsor: “[The Change Manager was] confronting managers who are afraid of having the difficult discussions with their team members about poor performance.”

- Bank, sponsor: “These managers tended to continue mismanaging their staff because they weren’t acting on the reports, they just did more work themselves to cover for their staffs’ lack of performance.”

The following are a few quotations from university project members identifying the issues that they had in implementing the project because of poor leadership in the university. According to the change manager, many of the leaders she dealt with did not understand the requirements of the project and their role in making the project a success. Leaders also demonstrated resentment and change exhaustion rather than supporting the project and demonstrating supportive behavior to their teams, encouraging them to accept the change.

- University, change manager: “…had to bring a mass of leaders up to speed. There was resentment and change exhaustion.”

Where managers do not lead by example and support the change, staff will display similar behaviors:

---

### Table 5. Organizational Leadership

<table>
<thead>
<tr>
<th>Organizational Leadership Factors</th>
<th>Positive Influence</th>
<th>Negative Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confronting performance issues</td>
<td></td>
<td>Bank</td>
</tr>
<tr>
<td>Acting on data</td>
<td></td>
<td>Bank—did not act</td>
</tr>
<tr>
<td>Role definition</td>
<td></td>
<td>University—poor role definition</td>
</tr>
<tr>
<td>Responsibility for success of project</td>
<td></td>
<td>University—poor acceptance of responsibility</td>
</tr>
</tbody>
</table>
• University, affected staff: “Managers don’t see it as being their role to encourage staff to participate and don’t take on the responsibility [for ensuring the project is implemented].”

These quotes from the university and the bank are indicative of the type of leadership that existed within these organizations and that the projects had to work with. In both cases, overall leadership was not supportive of the project. The change managers as well as the project sponsors had to invest project time in convincing leaders to assist in the implementation and in some cases to avoid hindering the project. There was work required to help them overcome their fear of change, educate them on the requirements for the project, and assist them in having discussions with their staff.

As with other factors, there was no mention of whether leadership failed or was successful in the Telco project. One can argue that if the team dynamics were successful and supportive of the project, it is likely that the leadership was also supportive of the project and demonstrated to staff the type of behavior that is required for the project to be successful. The explanation for the Telco phenomenon finds support in literature. Longman and Guttman (2006) reviewed various projects and conclude that one element that helps teams reach high performance and makes projects successful, is leadership in the organization and the way they model the behavior for teams. The leadership factor is clearly tied here to the teamwork factor. According to the authors, today’s project leaders are less directive and more facilitative of team performance. One of the major leadership roles is to keep people focused and help the team set guidelines for decision making and behavior. The authors also found in their study that very few leaders demonstrate this behavior (Longman and Guttman, 2006).

**Factor: Organizational Communications**

Hoogervorst, Flier, and Koopman (2004) claimed that organizational communication can be seen as a tool to engage people or as a mechanism to transfer a certain message. Organizational communications are also part of the organization’s culture and both influence and are influenced by the projects’ activities. Morrison et al. (2006) included communications in their 12 cultural dimensions. The project may develop certain communication channels that are specific to its’ requirements, however, it relies on the organization’s acceptance of communication to implement these channels and disseminate the project information.
Table 6. Organizational Communications

<table>
<thead>
<tr>
<th>Communications Factors</th>
<th>Positive Influence</th>
<th>Negative Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications plan</td>
<td>Bank</td>
<td>Telco—poor or non-existent plan</td>
</tr>
<tr>
<td>Communication to affected staff</td>
<td>Bank</td>
<td>Telco—most communication to management</td>
</tr>
<tr>
<td>Existing organizational communications venues/vehicles</td>
<td>Bank</td>
<td></td>
</tr>
</tbody>
</table>

Communications were mentioned in all three cases. There were multiple mentions of the communications factor in the two organizations that had change managers—the university and the bank. In the Telco case study, where there was no dedicated change manager, there were mentions that the project manager communicated, however, there were also complaints about the lack of communications to support the project requirements both organizationally as well as from the project itself.

- Telco, affected staff: “Communication could have been improved. Not sure there was a communications plan—from a PM (project management) perspective this should have been the first step.”

- Telco, affected staff: “Process and communication could have been done better. All technical aspects were covered well. From day one I knew that communications would be neglected so I am not surprised.”

As evidenced here, there seem to have been deficiencies in the communication efforts for the Telco project. The communication that took place in the Telco organization was mainly communication to management and management team meetings:

- Telco, affected staff: “[The Project Manager] runs steering committee teams, organizes presentations for the committees and for the CEO and CFO, prepares capital requests- funding for project, represents the project at my management team meetings three times a week.”

In reviewing the Telco project documentation, specifically the risk register, the first item on the list was the risk of not having a communication plan. This risk was categorized as very high and the mitigation was that it was being developed. However, a communication plan was not available or found for this research despite requests.
There were communication plans available for the two other organizations, the bank and the university, as well as evidence of communication activities. The change manager from the bank case study indicated that existing organizational communication in the bank were a positive influence for the project. She was responsible for part of the communication that was required by the project and in doing this was able to leverage off existing organizational communication channels.

- **Bank, change manager:** “When we went to implementation planning we had a communication plan for each release, this formed a major part of the overall communication; I regularly communicated with the champions and they provided support and feedback to the project team. Champions also communicated to their business areas, which made the communication more valid coming from the champions rather than us.”

In the university case study, the change manager developed a communication channel that was intended to improve the understanding of the project goals by affected people. This communication activity was planned and executed, however, the organization did not seem to be supportive of the communications and face-to-face communication channels, and attendance at face-to-face events was poor. The university case study demonstrates that the pervasive organizational culture and attitude can influence the effectiveness of communications and can influence the way a project is perceived throughout the organization.

- **University, affected staff:** “In these information sessions the turnout was poor, people were too busy. These were organized by the change manager.”

Even where there is a communications plan, and significant efforts are made to communicate effectively, the organizational culture and attitude of leadership can present a significant negative influence.

**Factor: Systems and Processes**

Similar to communications, organizational processes and systems are often developed by the project, particularly in organizational change projects, for the project to achieve its goals. However, they may require the support of the organization to be implemented and/or changed. This is a case of two-way influence. These factors tend to go together as they directly impact each other—when systems change so do processes and vice versa.
Table 7. Systems and Processes

<table>
<thead>
<tr>
<th>Systems And Process Factors</th>
<th>Positive Influence</th>
<th>Negative Influence</th>
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</thead>
<tbody>
<tr>
<td>Inclusiveness of affected staff in systems/process changes</td>
<td>Bank University</td>
<td></td>
</tr>
<tr>
<td>Robustness of the systems implemented</td>
<td></td>
<td>Bank</td>
</tr>
</tbody>
</table>

Systems and processes were addressed in all three case studies as organizational factors requiring adjustments or new implementation. These were successful when they were conducted in consultation with the organization and raised complaints when they were done in isolation. This was certainly demonstrated at the bank, where affected staff reported that they were involved as part of the group that discussed and agreed on the system changes. It seemed as though it was easier to accept the system and process changes when the affected staff member was involved in the initial stages of the project:

- Bank, affected staff: “Since the meetings we did some upgrades, for each upgrade we had workshops and sent emails; we all received procedure folders for workflow and we corresponded back and forth for issues.”

In the university case study there was also involvement of staff in describing the processes that needed to change as a result of the change project. There was evidence of influence of the change project on the systems and processes and how this can assist in managing staff expectations and participation.

- University, affected staff: “Next we had to define processes, had to go back to itemize and record workflows and how charts of accounts were set up.”

- University, affected staff: “We did a huge evaluation of the systems prior to deciding on the system. The project manager started that and it worked well.”

- University, change manager: “[I worked on] the process component, the BA (Business Analysts) fitted in there.”

The bank case study provides evidence of how systems can impact the project. Due to problems with the system, the project was delayed and there was ongoing impact beyond the project to negate the system issues. This quote demonstrates how significantly the project can be influenced by the system factor:

- Bank, affected staff: “The main issues we have been having are with system outages because the system is not robust. There are approximately 89 hundred hours of outages which [is like] 100
hours of unproductive time. We need to develop backlogs to overcome the outages. The teams are [now] picking up items often [when the] agreed SLA (Service Level Agreement) has passed. We are not looking at the costs spent on overtime due to system outages and the temps we hire to get on top of the work. There is a peak in volumes coming out of an outage and that peak creates all sorts of issues.”

As already demonstrated, the organizational factors discussed here do not operate in isolation. Culture has a pervasive influence that is affected by and affects teamwork, leadership, and communications. There are also strong linkages with systems and processes as this quote from the Telco, where communications about the changes were poor, demonstrates. Lack of process, combines with poor communication to generate uncertainty:

- Telco, affected staff: “There was not enough process in place that needed to be. People know it’s changing but don’t know what it’s changing to. People were left with more questions than answers.”

All these examples demonstrate the influence that the projects have on process and systems factors as well as how these can influence the project. When planned for and well managed, these factors can become another vehicle for achieving cooperation and support for the project.

**Factor: Structure**

If the organizational structure does not support the requirements of the project, it can negatively influence the project. In these cases, the change projects may need to take action to influence the organizational structure (Waldersee, Griffiths, & Lai, 2003). If a side effect of the project implementation is to change people’s jobs and the structure of the organization, there is likely to be opposition to the project by staff and resistance to its implementation. The following provides insights into the limitations that the organizational structure had for achieving the project goals:

<table>
<thead>
<tr>
<th>Organizational Structure Factors</th>
<th>Positive Influence</th>
<th>Negative Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriateness of approvals process</td>
<td>University</td>
<td></td>
</tr>
<tr>
<td>Isolation/siloing of key organizations</td>
<td></td>
<td>University—Finance Dept.</td>
</tr>
<tr>
<td>Similarity of internal cultures</td>
<td></td>
<td>Bank—dissimilar internal cultures between depts</td>
</tr>
</tbody>
</table>
In interviews with the change manager and the project sponsor of the university project, they discussed the challenges they came across because of the organizational structure. The project sponsor said that as part of the project, they emphasized the correct organizational delegations, which made some staff feel a threat to their roles.

- University, Sponsor: We set out delegations and business rules so system sent things out on delegations and used it as a core example, which showed us what the right approvals were etc. Some people felt their roles were threatened but most of them managed to get through.”

The change manager described a challenge to the project presented by the finance department which operated as a standalone department, making it difficult to deal with them, penetrate their structure, and more importantly, achieve the changes in their department.

- University, Change Manager: “Finance was in silos and operated as a separate department; they were in silos and never communicated. The rest of the BUs hated finance and couldn’t do their basic job.”

At the bank, the project sponsor, change manager and IT project manager all pointed to the project’s need to deal with the organizational structure in order to implement this IT project. The IT project sponsor is quoted as saying that the structure comprised two separate entities with different and conflicting cultures, making implementation of the project difficult. Because of this, the change manager was responsible for the organizational restructure and had to invest time into changing the way the organization was structured in order to implement the project. It was not surprising that the project sponsor indicated that the restructure encountered resistance and that staff feared the change in the structure.

- Bank, IT project manager: “We had two very different cultures which didn’t work together.”
- Bank, change manager: “I also worked out the organizational restructure issues.”
- Bank, sponsor: “[The] change manager looked at the look and feel of the report to fit it to the business needs and to the new structures that we were working towards. The change manager argued the need for change, challenged people to accept that things can be done differently. Part of it was convincing people that it was a good idea and managing people’s fear of change.”

These examples show that both the bank and the university projects encountered structural issues which influenced their ability to progress with the project. There are no mentions of the Telco project enduring similar constraints. This is curious considering the purpose of the change project was to in-source a major capability as well as to change many of the organizational roles and responsibilities.
According to interviews with affected staff members it seems that, regardless of the structure, in the Telco project, the whole of the organization pulled together to achieve the project’s objectives. Because there were no mentions of any other reasons for the project’s success, this suggests once more the power and criticality of the cultural influence in achieving change on change projects. Overall, there was a general indication that in the Telco there was a more widespread understanding, acceptance and therefore support for the change being introduced.

**Conclusion**

Context is recognized as important in the management and success of all projects. It is particularly significant for organizational change projects that are deeply embedded in and are by definition charged with changing aspects of their context. As found in literature and supported in the case study research, characteristics of the organization, which we describe here as organizational factors, have significant influence on the success of an organizational change project. This influence may be positive, as in the Telco case study, or negative, as in the university case study, and to a slightly lesser extent in the bank. The effort required to engage staff and management in their expectations in relation to the project and to deal with impact of specific organizational factors (e.g., systems influence on the success of a project can be devastating if not managed correctly as seen in the bank case study) will be considerably greater where organizational influences are not supportive of the change.

This research study provides evidence of the need to pay particular attention to the organizational environment and its potential influence when planning an organizational change project. Many factors will influence the project, either positively or negatively. Those factors that emerged as significant in this study were culture, change resistance, teamwork, leadership, organizational communications, systems and processes, and structure.

As demonstrated by the Telco case study, specific change management activities are not a necessity for achieving project success. The Telco project was successful despite having no change management, apparently due to a number of organizational factors being supportive of the project and its goals. According to a study conducted by Alas and Vadi (2006), employee satisfaction and commitment to an organization in times of organizational change can be improved by having an appropriate organizational culture—and as shown in the preceding discussion, many of the factors identified can be classified either as an aspect of or is strongly dependent upon organizational culture.

Despite the supportive culture at the Telco, the absence of change management practices to manage factors such as employee communication, process design, and more did create issues and constraints for
project members, as identified in the interviews with affected staff from the Telco organization. Moreover, the Telco project highlighted a major project risk to be “not having a communications plan.” Despite the upfront awareness of this risk and the intention to manage it by developing a communications plan, the Telco project failed to mitigate the risk and communicate to its’ affected staff members. This could be attributed to a lack of change management resources or expertise on the project. The decision not to employ such resources on the project did not appear to be a conscious decision by management based on an assessment of the context. It may be considered, therefore, that the project was successful more by good luck than by good management although evidence of a supportive culture, good teamwork, and good leadership in them indicate good overall management.

The learning here is that good practice would suggest making an assessment at the start of the project of the organizational factors positively and negatively affecting the project and in order to determine the required investment in change management activities. The bank and the university clearly recognized the challenges presented by factors within the organization and in both cases specifically invested in change management to support the project effort. As a result, despite significant difficulties and unsupportive factors in both cases, the projects were eventually judged a success by their sponsors.

This paper has used three in depth case studies to identify and illustrate the impact of organizational factors on the conduct and success of change projects. Limitations of the study are that findings are drawn from only three projects, of a similar type, in three organizations. However the type of project, being information systems projects affecting the whole of the organization, are very common project types in organizations today, and the projects took place in three different types of organization, a telecommunications company, a financial institution and a university. All organizations were of similar size, as were the projects studied, and all were judged successful by their sponsors. The emergent organizational factors, influencing these projects both positively and negatively, and the reciprocal impact by the project on the factors, have been limited by the scope of the study. However, they have served to confirm and illustrate the importance of organizational factors to the success of organizational change projects. The study also confirms the criticality of making a careful assessment of the organizational context and the extent and nature of change management activities that will be required to ensure success.
Reference List


