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Managing complex industrial change through projects

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Abstract: This paper proposes some elements showing that project is an appropriate way to manage organizational change, and that an individual change occurs during these phases. We suggest that project team should manage individual change in the framework of project for three main reasons. First, being at the crossroad of strategic and operational levels, project team is in the right position in organisation to “translate” organizational change to individuals, and vice-versa. Second, each change being unique, organisational actors belonging to project team have the greatest knowledge of both organizational and individual aspects of change. Third, resistance to change being a threat to project goals achievement, individual change management could be seen as a way to secure project success.

Key words: Organizational change, individual change, project team, change management, complex organization.

1- Introduction

In many organizations, when something new needs to be done, a project is launched. For Afitep-Afnor [AA1] project is “*a specific approach that methodically and gradually structures a future reality and (...) that implies a goal, and needs to tackle on with determinate resources*”. In last forty years, numerous organizations have evolved from a bureaucratic functioning to a project based management strategy, mainly because project is future oriented, generates more collaboration, more learning, and allows dealing with manageable levels of time and complexity [L1]. We notice here that project management involves reaching a future desired state; as told by Partington [P1], “*project is increasingly used to manage organizational change*”. Hafsi and Fabi [HF1] define organizational change as “*a radical or marginal transformation process of structures and competences, which punctuate the evolution process of organizations*”. At this point, no mention has been made of organizational agents. However, in both project and organizational change, human resources are called up and have a great influence on success or failure.

In this PhD work, we investigate the role of actors as member of project team or user of project solution. In this view, organization’s members can be producing or impacted by change.

2- Project and organizational change

“*Actual project management implies managing organizational change, and learning from this process*” [HM1]. Indeed, projects are supposed to break up a specific context, in order to change it, and then to freeze the desired state [GC1]. The notion of desired state or goal is essential: each change must result in benefits to the organization. If that is not the case, there is no reason to go through the change. As these goals represent a level of desired benefits, some constraints must be settled in order to reach them without spending more than the expected benefits. Constraints of projects consist of time and resources. Among these resources, lies the core of project: *project team*. For Musztyfaga et. al [M1], the project team is a group of people that cooperate to reach a common goal. This group of actors is composed specifically for each project, taking into account the needed competences and the required taskforce to reach the goal on time, with determinate material resources. In our opinion, another field to be tackled by project team in order to reach its goals is dealing with individual change.

3- Projects impacts on organizational agents & individual change.

Organizational change is about people changing. It is a highly complex process that must take into account how people respond psychologically when asked to make major changes at work [HSR&D]. With project being an increasingly used way to manage organizational change, members of organization are asked to change at their individual level more often through projects. To reach a future desired state, project team proposes and implements a solution that can impact processes, organization, jobs etc. In every case, organizational agents are impacted: according to

Jaujard “*individuals systematically emerge as the main actors of change, whatever this change is*” [J1].

A fact is that individual change is not an easy going phenomenon: it can produce a potentially dysfunctional stress, defensive reactions, and as shown by Kotter [K1], individuals can saturate and reach their tolerance to change boundary. For many authors [KS1; S1; PII; OI; VL1], organizational change main failure cause is organizational agents’ resistance to change. For Morin [M1], these resistances are restrictive forces that go against working situation transformations, and new competencies acquisition. Furthermore, the Health and Safety Executive [HSE1] identified change as one of the seven main stress factors. Folger & Skarlicki add that “*organizational change can generate skepticism and resistance in employees, making it sometimes difficult or impossible to implement organizational improvements*” [FS1]; thus, change can be a problem for organizational agents who live it. In our opinion, to reach its goals projects must manage individual change, and accompany impacted organisational agents.

4- Change management

As said by Singh and Shoura [SS1], “*The management of change is a fundamental tenet of organizational development and modern organizational management. It is necessary to change at the cultural, technological, and organizational levels for an organization to remain competitive and efficient in its operations and services.*” Among multiple definitions, the Society for Human Resource Management defines change management as “*the systematic approach and application of knowledge, tools and resources to deal with change*” [SHRM1]. From our point of view, this definition could apply to project when talking of organizational change. However, individual change has to be tackled with different state of mind; instead of defining a future desired state and then implementing it (organizational change management), managing individual change is more helping humans appropriating this future desired state. For instance, Perrin-Bruneau [PB1] has identified 4 principles that actual change management approaches use to help people changing. These principles are:

- Building a vision of desired state,
- actors mobilization,
- individual resistances management and,
- communication.

Using a change management approach allows reducing resistance to change and helps implementing future desired state. We suggest project management should integrate such an approach in order to ensure a proper appropriation of its solutions on impacted actors. The next section will present elements showing that project team should realize individual change management.

5- Project team as change manager

When organizational change is tackled through project, several elements plaid in favour of managing individual change. Although actual change management approaches suggest creating a change management team during evolution phases,

we think that project team is an appropriate entity in regard with managing project related changes for three main reasons.

5.1 – Project team can “translate” information between hierarchic levels

Mintzberg [MW1] underlines that important changes occurs both at strategic and operational levels. As managers belong to middle hierarchy in companies, projects are generally under their responsibility. The rest of the project team can be either managers or operational, depending of the scope of the project. As said by Nonaka, “*middle hierarchy actors hold down a job ideally located to translate and communicate important information between hierarchic leaders and operational teams*” [N1].

Carton [C1] underlines that change is a retroactive phenomenon [Figure 1]: in our case, project team would be between the source and the individuals.

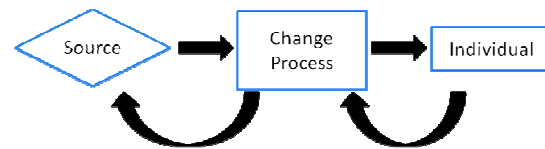


Figure 1: retroactive change’s loop [C1].

This intermediate position allows them to understand as well the company’s strategy as operational problematic and concerns. On a more pragmatic point of view, managers from project team receive their goals from upper hierarchic levels, and must make the change occur on lower hierarchic levels, with an appropriate operational solution.

5.2 – Project team understands what is changing

Change deal with phenomenon that differ a lot by their scope and their size. The uniqueness of each company, each project, creates each time unique change conditions. There is no one-size-fits-all formula for managing change, because no changes are the same [HSR&D; CH1]. In agreement with Pettigrew [PE1], we think that change mustn’t be pulled out of its initial context in order to keep making sense. As project is at the cross-road of organizational and individual change, hierarchic and operational levels, we assume that project team has the best knowledge of the change and is in the best place to manage it. Every other change manager would be too external toward project specificities, or in a limiting hierarchic position.

5.3 – Project success can be threatened by individual change

As mentioned in section 3, change induces stress on individuals, making them resist and setting themselves in defensive postures. As project team is directly responsible for reaching the goals they have been given, managing individual change can be seen as a way to reduce risk of failure.

6- Conclusion

This paper has presented project as an increasingly used way to structure organizational change, and to manage organizations evolutions. The core of both project and organizational change is organizational agents; during an organizational change managed through a project, every hierarchic level is mobilized, and individuals change occurs. These two dimensions of change are closely interlinked, and should be tackled by the same organizational structure. Project team should be defined as organizational change managers and individual change managers, in order to secure the appropriation of operational teams towards project's solution. Further works would be needed to evaluate the feasibility in term of competencies and availability of project team's members, and to define what kind of approach could be integrated to project management activities.

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