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Implementing change in organisations: key challenges

ABSTRACT

A VUCA world (described with four attributes: volatility, uncertainty, complexity, and ambiguity) and the resulting need to implement changes continuously in almost every area of organisational activity have enhanced the awareness of organisations with regard to searching for skilful managers/leaders of change and building up competencies in change management amongst their staff. At the same time, however, quite a large proportion of changes fail. The paper aims to identify major challenges faced when implementing significant changes in an organisation using two case studies as an example. The first case study concerns a change to the Agile approach in an organisation's operations, while the second one – the implementation of the Design Thinking concept in the work of project teams. The obtained results have become a starting point for more in-depth studies on change management focused in particular on factors contributing to organisational change success or failure and the role of individual stakeholders in the process.

Keywords: change management, change management models, case study, design thinking, agile

JEL Classification Code: M0

Introduction

Among many aphorisms commonly used in management, the one stating that “the only constant in life is change”¹ can be heard quite frequently. Indeed, when we take a closer look at the environment in which contemporary organisations operate, it is hard to disagree with it. Dynamic changes in technology, growing and increasingly complex customer expectations, uncertainty in the economic, political, and social environment force out changes in the functioning of organisations from permanent, small improvements seeking to maintain competitive advantages, up to complete overhauls of business models. This does not mean, obviously, that this is the reality of recent years only. Volatility and uncertainty have always accompanied human activity, one might even dare to say – to a greater extent than today. What is characteristic of contemporary management concepts, however, is that a great deal of attention is paid to the way change is implemented, e.g., preparing for it, communicating it to employees, or managing resistance to it. Managers have recognised the importance of change management as a separate field of management. It turns out that the success of an organisation depends to a large extent on the efficiency of this process. This article is an analysis of two case studies of change implementation in organisations. It synthetically presents the results of qualitative research, which focused on the organisation’s approach to change management. This has allowed formulating conclusions and identifying areas for future in-depth research, in particular regarding the success and failure factors of change implementation and the role of individual stakeholders in the process.

1. Change and change management: the heart of the problem

The Polish language dictionary defines change as:

- “the fact that someone becomes different or something becomes different than before;”
- “the replacement of something with something else” [PWN, online, n.d.].

Indeed, when talking about change from an organisational perspective, one might say that it involves “improving the performance of the organisation by changing the way work is done” [Prosci, online, n.d.]. However, this is a very broad concept, as it covers issues such as:

- processes;
- workers’ conduct;
- systems;
- structure;
- scope of responsibility;

¹ Heraclitus of Ephesus.

- technology;
- method;

and many other areas. Nevertheless, for change management we need to introduce a certain classification, as we are not going to deal with managing all changes. Figure 1 presents the basic classification of changes.

Changes within an organisation may take place at diverse levels of technical and social complexity. Nevertheless, irrespective of the level of the first parameter, changes that belong to type 0 and 1 due to their little social complexity will not require the deployment of change management. These may be changes in the work pattern of robots or system modernisation that will not be noticed by its users, implementation of a smart energy management system in a building, etc. As long as there is no need to change the work pattern of humans, their habits, the environment, or rules binding within the organisation, no change management challenge arises. However, if changes of type 3 or 4 are put in place, special solutions will be required. These changes may consist in, e.g., implementing project management methodology, relocation, putting in place an electronic documents flow system, restructuring, or changing the sales model. In short, change management is necessary whenever change directly affects people. Hence, one might conclude that it is not the organisation that changes but people change within the organisation.

Figure 1. Classification of changes

	SOCIAL COMPLEXITY	
TECHNICAL COMPLEXITY	Type 1	Type 3
	Type 0	Type 2

Source: own compilation.

How can we thus define change management? The table below contains selected definitions of the term.

Table 1. Selected definitions of ‘change management’

Definition	Source
Making changes within an organisation in a planned and systematic fashion.	[Nickols, 2016, p. 1]
Systematic activity to prepare an organisation for and implement ongoing environmental changes in a business operation.	[Hegde et al., 2008, p.3]
Change management means to plan, initiate, realise, control, and stabilise change processes on both the corporate and personal level.	[Anyieni et al., 2013, pp. 1–10]
The planned organisational-wide effort to increase individual and organisational effectiveness via behavioural science knowledge.	

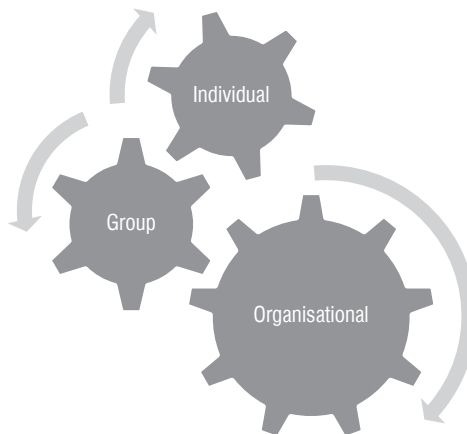
Definition	Source
Change Management is an organised, systematic application of the knowledge, tools, and resources of change that provides organisations with a key process to achieve their business strategy.	[LaMarsh, 1995]
A process, set of tools, and techniques leading the people side of change to achieving the desired business outcome	[Prosci, online, n.d.]
Coordination of a transition from situation A to situation B in order to achieve a lasting change within an organisation.	[Bartkus, 1997, pp. 331–344]

Source: own compilation

In summary, we may say that change management consists in a purposeful, structured, and organised implementation of changes which require changes in people's attitudes to improve the performance of individuals, teams, and organisations.

As we have already mentioned, change may take place in different operational areas of an organisation. It also means that change may have a different range of impact. At the same time, large organisational changes should be considered at the strategic level, as well as at the level of the organisation involved in the change or an organisation which is affected by it. In other words, changes need to be seen from different levels.

Figure 2. Three levels of change within an organisation



Source: own compilation based on, inter alia, [Burnes, 2017; Cameron & Green, 2020; SmithI et al., 2015].

At the individual level, change means a modification of an individual's attitude to change, its scope, and content. Management models for individual change focus, above all, on psychological and communication-related aspects. The overarching goal is to guide a person through change in an expected and predictable way. The most popular models that take account of managing individual change are:

- ADKAR – a model developed by Prosci (Prosci: Professional Science – is a company developing change management methodology). It assumes there are five stages of going through change: Awareness (of the need for change), Desire (to participate in the change),

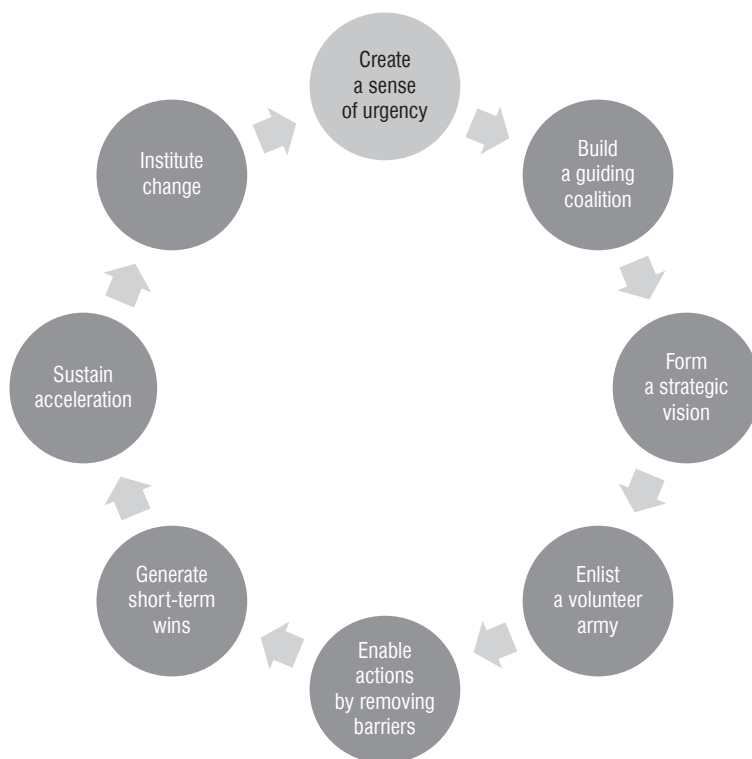
Knowledge (about the change, its scope, and indispensable competencies), Ability (to support change), and Reinforcement (of the effects of change).

- The Kubler-Ross model – developed by a Swiss psychiatrist famous for her studies on patients' reaction to terminal diagnosis. It provided foundations for a model successfully deployed in management.

Among major models largely focused on change management at the team or organisational level there are:

- The Kotter's model composed of 8 steps in change management

Figure 3. Kotter's Model



Source: based on: <https://www.kotterinc.com/8-steps-process-for-leading-change/> [accessed: 24.10.2020].

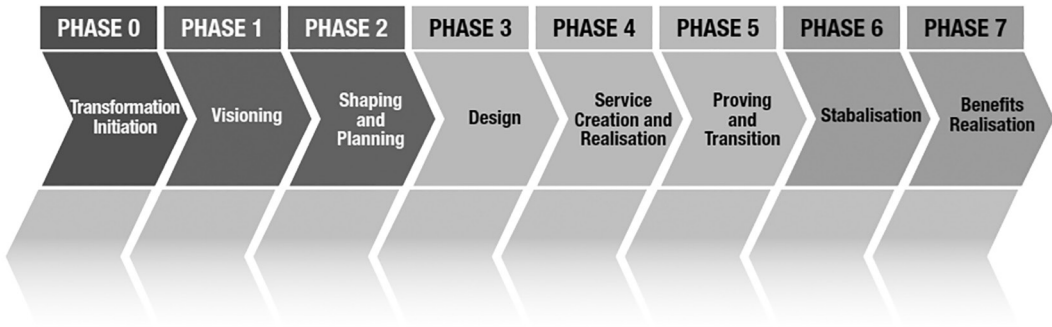
- APMG Champs2 – a model of seven phases of change management presented in the figure below.

Levels of change within an organisation can also be classified differently, e.g., by areas affected by the change. Figure 5 presents the STS model:

This model distinguishes three basic types of change:

- First-order change mainly affects tasks;
- Second-order change affects both tasks and people;
- Third-order change affects tasks, people, and organisational structure.

Figure 4. APMG Champs2 Model



Source: [APMG, 2012, p. 6].

Figure 5. STS model specifying the scope of change

Social system	Technological system
Structure	Technology
People	Tasks

Source: [O'Hara et al., 1999, p. 64].

3. Description of the case studies

Case study A

The first of the two investigated case studies (hereinafter referred to as ‘case study A’) deals with an organisation facing agile transformation and, more precisely, a fully-fledged implementation of the Scrum framework for project management and product development. The goal of case study A was to find out how change management may assist the process. Partial objectives of the analysis were to examine the utility of the selected change management model (in this case the ADKAR model) for agile transformation, as well as the identification of critical success factors when going through such agile transformations within teams and organisations.

Studies that accompanied the analysis were carried out in March 2020 in Warsaw in the premises of the organisation covered by the research. The investigated organisation comes from the IT sector and is a software house company developing and delivering software for external clients, mainly from Western Europe. It works on many projects at a time. Our research focused on one of the company’s projects, the largest one in their portfolio at that time. When studies were conducted, the company employed ca. 30 people and had been active in the market for almost a decade.

As suggested by the report titled *Czy Polska ma szansę stać się hubem IT Europy [Can Poland become an IT hub for Europe?]*, software house companies, together with the entire IT sector, experience dynamic growth in the Polish market [*Czy Polska...*, online, n.d.]. As a result, they are facing unavoidable organisational change to adapt to customer requirements and the changing market environment. One of such changes is agile transformation selected by increasingly more organisations, also in other sectors and industries, as research studies have provided evidence that agile projects stand a much greater chance of success in the context of the 'iron triangle' of change management of desired time, cost, and quality [The Standish Group International Ltd., online, n.d.].

The Scrum framework is one of the methods applied to implement agile projects. The framework rests on three roles, three artifacts, and three activities [Schwaber, 2020]. It is highly efficient and increasingly popular, like the rest of the agile family methodologies to which it belongs [VerionOne, 2019].

The team covered by our research discussed in this paper is experiencing an agile change; it is in the middle of the road, as the Scrum framework has been partly implemented into the project on which the team is working but it is still coping with its complete implementation. The team has put in place Scrum ceremonies but has not allocated all Scrum roles yet (Product Owner and Scrum Master are missing), which causes trouble in the project delivery. Earlier introduced Scrum ceremonies also need to be streamlined. The goal of the author of the study was to find out how change management and its tools may assist the team covered by her investigation in the change and in successful complete implementation of the Scrum methodology that is intended to more effectively deliver projects designed to help in developing products for clients.

Case study B

The second of the two examined case studies focused on the implementation of the Design Thinking approach in different organisations in the context of change management and processes accompanying it.

The goal of the study was to investigate key issues related to changes within organisations, how change is prepared, organised, and managed, identifying the determinants of a successful change together with major problems that arise along the process, and factors that impact the course of change the most.

Secondary goals focused on the analysis of human aspects in the above-mentioned process. The first one dealt with the examination of experiences of the people participating in the change process based on the Design Thinking method and formulation of recommendations intended to streamline both the process and its implementation method in organisations which undertake change. The second secondary goal was to collect observations concerning human factors that impact change, working in the Design Thinking format, and how the organisation performed before, during, and after change.

A series of interviews held as part of the study was conducted in August and September 2020 in Warsaw. These were online interviews conducted using digital electronic communicators, individually with each respondent. The people invited to interviews represented different organisations based in Poland and in other countries. The study brought together 12 different cases of change implemented in 12 different organisations including consulting firms, NGOs, and start-ups.

4. Research methodology

Both case studies were carried out using the same research methodology, i.e., qualitative research. Qualitative research focuses on an in-depth analysis of the investigated phenomenon. As observed by Trocki, qualitative research studies intend to find out about the characteristics of examined issues. “They focus on identifying facts, measuring data, and usually answer the questions such as what, how much, how strongly, how often, and in what part. Qualitative data analysis is a complicated process as there is no single pattern to qualitative research. Respondents express their views and opinions without any response options being imposed on them” [Trocki, 2013, pp. 107–108].

The qualitative research method was chosen due to the specificity of the examined phenomena, which are complex and concern soft issues in the team. That is why they require a thorough analysis and direct contact with the respondents in order to be able to ask detailed questions. The chosen form of interviews with open questions allows us to reach innovative conclusions. The relaxed conversation format and interview scenario used only as its framework helped us to elicit real opinions, thoughts, and feelings of the group of people included in the study. Qualitative analysis focuses on uncovering the deeper meaning of observed events, without imposing specific response options on respondents. The role of this type of research is to structure what has been declared and what is actually happening. It is an attempt to define and systemise the ‘true meaning’ of the analysed phenomenon [Trocki, 2013, p. 108].

The structured interview is a form of conversation whose topics are imposed in advance by the person who designed the validation. It serves the purpose of gathering specific information and its form is subordinated to the achievement of objectives defined by the author. The degree to which interviews are structured may vary, depending on the need to make the information collected more concrete. They can take a fully structured form (questionnaire interviews) or an indirect – partly structured form (biographical, behavioural, and competence interviews) [*Katalog metod walidacji*, online, n.d.].

Studies analysed in this paper used a face-to-face, partly structured, computer-assisted interview. The set of questions for the interviews was defined upfront but did not contain predefined, possible variants of answers. The authors of the article, while conducting the interviews, asked open-ended questions according to the research questionnaire templates

prepared earlier. The interviews were conducted according to designed scenarios. Nevertheless, the interviewers reacted to the situation flexibly, depending on the needs, and, if necessary, asked detailed questions in order to understand better the researched phenomena.

5. Research sample characteristics

Case study A

The studies for case study A were carried out on the spot, at the premises of the investigated organisation.

The research sample was selected in a manner conducive to achieving the important objectives of the study, as described in the Characteristics of Case Study A. The sample consisted of 14 people from the organisation covered by the study working on the organisation's key and the largest ongoing project. These people are the members of two sub-teams working on a digital product developed for a client. Both of these sub-teams are managed in the same way and work using similar methods. The same Scrum ceremonies are implemented in both teams, some of them are even done together. The teams face the prospect of streamlining current processes and implementing Scrum roles.

The research sample made up of 14 people included two Project Managers, one Team Leader, two testers, one DevOp, and eight software developers. The sample consisted of 3 women and 11 men. We examined the project at the management and execution level.

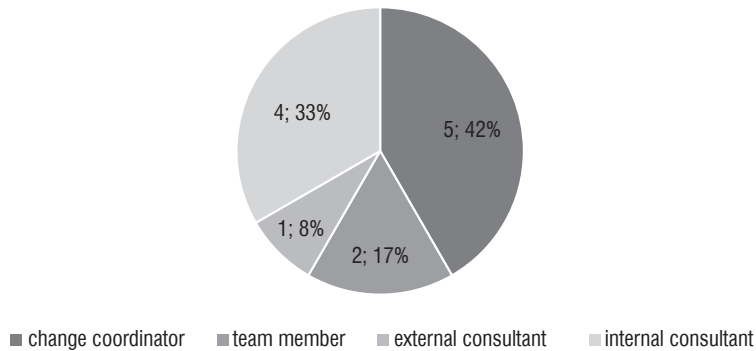
Case study B

The study was conducted on a sample of 12 people, 4 women and 8 men aged between 26 and 43. The respondents were selected for the study in a purposive sampling exercise. All the people invited to interviews were directly engaged in the implementation of the Design Thinking methodology in organisations or teams and performed specific roles in the implementation as presented below.

Figure 7 shows the distribution of the implementation of the Design Thinking methodology across industries and sectors.

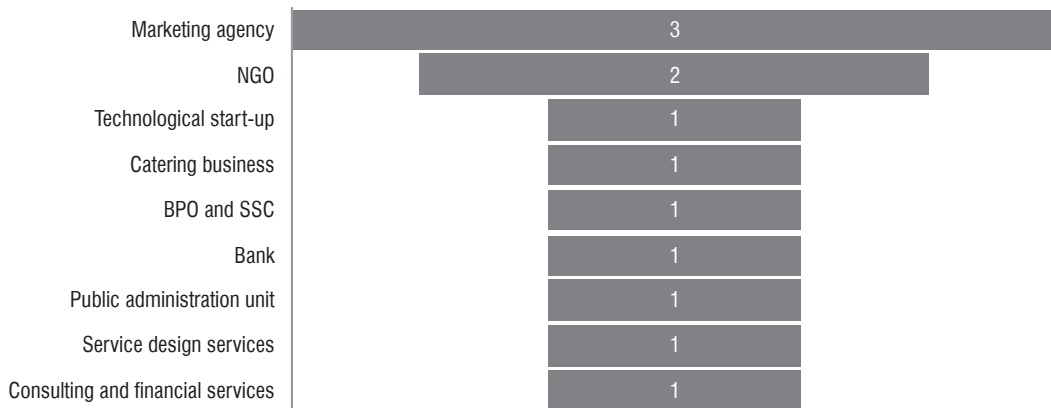
Due to the nature of the questions touching upon personal experiences, as well as the sensitive information resulting therefrom, the respondents were assured of full anonymity with regard to the names and events that could point to specific organisations and situations that took place in the described cases. Therefore, the study will present only the data providing general characteristics of the area of activity of the selected organisations, without indicating the names and other information allowing identification of the entities described in the interviews.

Figure 6. Roles of the respondents in implementing change



Source: own research.

Figure 7. Industries and sectors of the discussed organisations



Source: own research.

6. Key findings

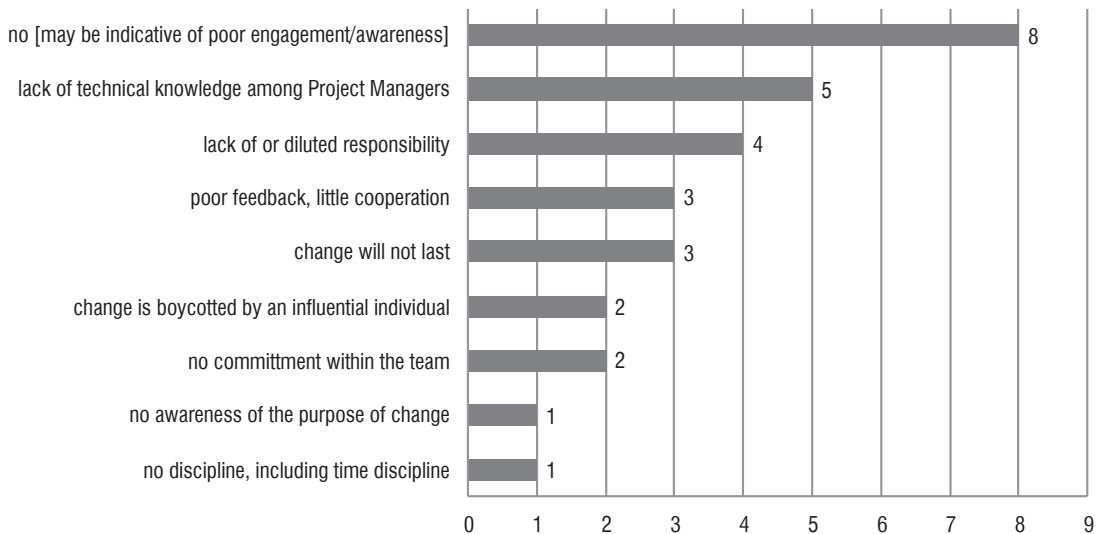
Despite the profile differences, differences in the characteristics of the research groups and the different environments in which the research was conducted, the conclusions from both studies are indicative of a strong relationship between the structuring of the change management process and the success of its implementation. The following elements of the change management process can be singled out among the key success factors of change.

Responsibility for change

In Study A, one of the key problems identified by the respondents in the change process was the diluted responsibility or complete lack of it in the agile transformation management.

Due to the lack of purposeful and deliberate change management effort by the responsible leader, the change stands virtually no chance of success.

Figure 8. Concerns, problems, and obstacles in the implementation of the planned change



Source: own research.

In study B the respondents suggested that the coordinating role of the change process was not taken seriously. Sometimes it was given to people who dealt on a daily basis with something completely unrelated to the change. Under such circumstances, the coordinator does not fulfil his role, because his attention is distracted and he does not have the position that would allow him to lead the process independently. Then, the responsibility for the process is assigned directly to the team, which deals with the creative process and is held accountable for its work. The above conclusions are supported by the following statements:

“Yes, when we were hired as external experts, a specific person was responsible for maintaining contact with us. It was a kind of Project Manager, at least that was his name. The spectrum of his responsibilities was quite broad, probably due to the fact that the organisation itself was not large. Finally, he mainly gave us contacts to individual stakeholders and that was where his role ended.”

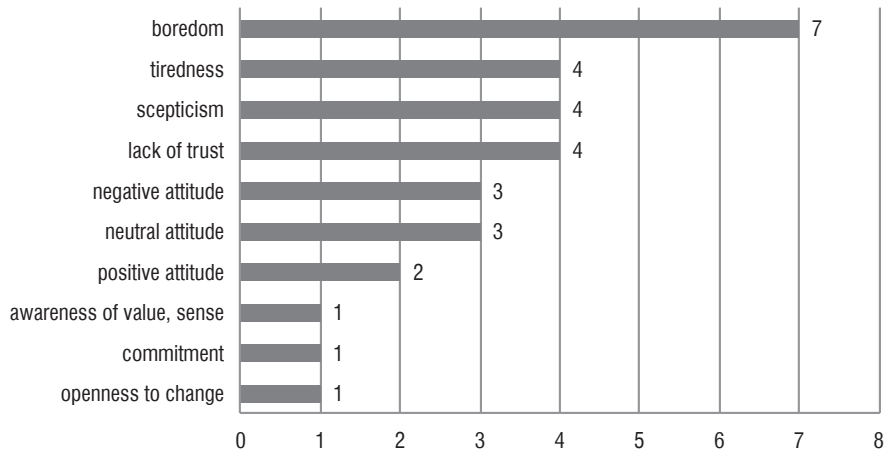
“The coordinator was responsible for hiring us, providing us with the right people and tools and running the process with us as an insider. Unfortunately, this person was fully dependent on the Board. Even when he wanted to do something cool, the Board blocked him, and we did not have access to the decision makers.”

The above findings show that the designation of a person or persons responsible for carrying out change is a critical factor decisive for change success independently of its nature.

Communication of change

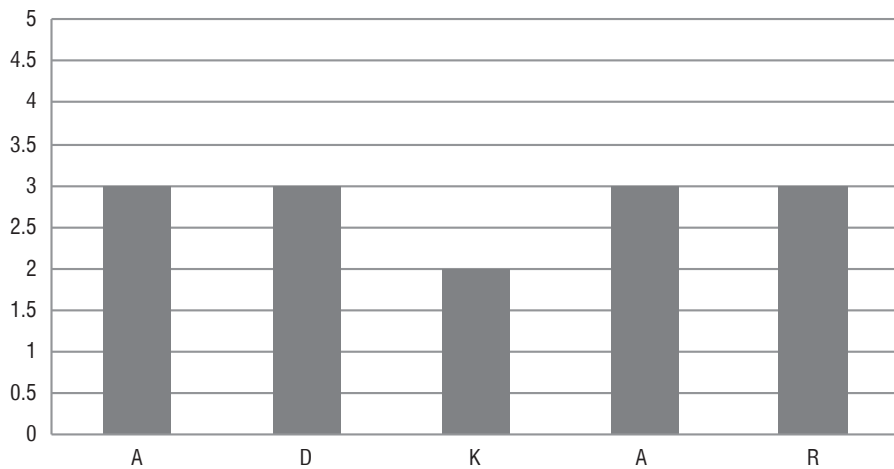
Another important success factor in the examined case studies was the communication about the change, making people aware of its purpose and potential benefits. As can be seen in the graph below (Figure 9), the mood of the team in case study A was not the best. Moreover, the ADKAR profile of the surveyed team clearly indicated low Awareness and Desire for change (Figure 10).

Figure 9. Mood in the team facing change



Source: own research.

Figure 10. The ADKAR profile of the examined team



Source: own research.

In such a case Hiatt, the author of the ADKAR model, recommends several useful managerial techniques to build awareness of the need and urgency of change within the team. These

include, first and foremost, effective communication about the change, as well as sponsorship of the change among high-level executives, coaching of employees by their managers and supervisors, and widespread and easy access to business knowledge (e.g., customer satisfaction surveys, company project performance surveys) that will make employees aware of the need for change [Hiatt, 2006, p. 64]. Only after an adequate change awareness level (4 or higher) is reached can we proceed to next activities within the Desire component.

By comparison, in the second case, the respondents answering the question on the method of communication indicated the high importance of creating the need for change already at the initial stage of communication:

"... in addition, a very large part of the time spent on that project was devoted to training so that people were aware of what they were doing and why."

"If people are informed about something, they have high expectations. As product developers, if we make a change without communicating it first, we do not risk failing to meet expectations and, as we know, the slogan DESIGN THINKING raises a lot of unrealistic expectations."

The above were used to formulate the key conclusion that applies to the change process regardless of its nature: the communication of change should be built on a real need for its implementation that has been voiced and identified at the level of the company's employees or other users of its effects.

Results of the analyses from both case studies clearly indicate the high importance of communication and the necessity to create a sense of need for the upcoming change.

Team commitment to change

As pointed out by ADKAR, an indispensable element of change communication is creating the need and awareness of change among the individuals and teams that will be part of the change process. This builds team commitment. The above conclusion is supported by the subsequent results of the analyses of case studies A and B.

Study A

During the research conducted for case study A it became apparent that there is a strong lack of change management competencies and knowledge among the managers. This causes difficulties in building coalitions for change, identifying change agents or leaders. From the surveyed team moods (Figure 9), it is clear that their level of engagement is very low – boredom and scepticism prevail. Under such circumstances, it is difficult to have team commitment, which is a key success factor in implementing long-term change. Moreover, among the most important concerns and obstacles in the change process (Figure 8), a low level of cooperation, a lack of feedback or lack of trust were mentioned, and these are serious barriers to building the team's commitment in the agile change process.

Study B

"I think of it as a glacier: first you have to thaw it out. Start by finding the points that need to be changed, then find the people concerned and ask them if they need change at all."

"After a very enthusiastic and, I must admit, also sensible creative process, we eventually managed to implement only 20% of the proposed solution. This is due to the fact that only one of the three main managers was involved in the process, with the other two playing a major role at a later stage dealing with handling the formalities. While the creative process took about three weeks, we had to wait more than two months to get the attention of one of the three directors. Given that the project concerned financial incentives for seasonal entrepreneurs and was carried out by a government administration unit, after such a long time there was unfortunately nothing left to talk about."

The above statements show that making a decision to undertake a transformation and communicating it to stakeholders at all levels are not synonymous with winning their commitment to the process. Therefore, it is worth taking care to involve the people who are to be affected by the potential change. If they become part of the process of creating the solution and agree on its implementation, the likelihood of having negative attitudes or the process being suspended due to the lack of decision-making powers at any of change stages is reduced once the implementation of change has begun.

Summary

In modern organisations, the ability to implement change efficiently in a way that engages employees and other stakeholders is one of the primary sources of competitive advantage. Still, however, change management is not widespread as a structured management concept. Consequently, organisations face significant problems when implementing change. Our research studies allowed us to draw some conclusions (although, as emphasised, one cannot generalise them to cover a larger group or the entire population). First of all, the awareness of the role and importance of change management mechanisms is still very poor. There is no common understanding of these mechanisms, and as a consequence, the implementation of change is most often not approached systematically in organisations. The second important conclusion is the separation of change management and project management. The authors believe that these aspects should be integrated, as changes are mainly introduced through projects and the cooperation between the project manager and the change leader can bring many benefits. The last conclusion is a reflection that discussing selected change management tools (mainly the ADKAR model) with the participants of the study has significantly influenced their perception of the change management process. This leads us to believing that promoting methodologies and standards in this area may help build the organisation's maturity in change management.

Therefore, it is necessary to continue studying this area of the organisation's activity as it will allow it to expand theoretical and practical knowledge in this field.

The case studies discussed in this paper cannot be used as a basis for drawing general conclusions on the implementation of changes within an organisation. Nevertheless, they are valuable research material which will serve the authors to propose a list of success factors for implementing change in organisations. This proposed list could be further confronted with the existing tools and validated at the empirical level.

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