

# People Skills: Ensuring Project Success— A Change Management Perspective

Robert E. Levasseur

Walden University, St. Augustine, Florida 32084, robert.levasseur@waldenu.edu

This is one in a series of articles about the most effective models, methods, and processes of organization development (OD), also known as change management, a discipline that offers much to professionals intent on solving real-world problems. Because it is based on a systemic view of organizations, OD includes the whole universe of fuzzy people issues that increasingly determine the success or failure of efforts to implement otherwise flawless technical solutions. This article examines project success rates, suggests reasons for project failure, and provides ideas for dramatically improving the odds of project success based on established change management principles and processes.

*Key words:* project management; leadership; change management; organization development.

How often do projects fail? According to Rubinstein (2007), almost two-thirds of information technology (IT) projects fail. This startling statistic might not apply across the board; however, even a project failure rate of half this number would seem to be too high a price to pay for implementing needed organizational changes. Shouldn't organizations strive for zero defects in project management, as many do in product manufacturing and service delivery?

## Causes of Project Failure

What are the causes of these project failures? Are they primarily due to technical problems, or are they rooted in people issues, such as seemingly intractable resistance to change? In a study of 42 IT projects, McManus and Wood-Harper (2007) found that "technical causal factors account(ed) for 35 percent of the project failure rate" (p. 39). The remaining 65 percent were because of what they termed "management causal factors" (p. 39)—in other words, people issues. When they consider IT-enabled change, many people see managers' and IT specialists' belief in the "magical power of IT" as the root cause of project failure (Markus and Benjamin 1997, p. 55). That project failure rates remain high, although this magic bullet theory of change is widely understood and does not appear to work, is disturbing but not surprising

to someone familiar with change management. Technical specialists and managers, although they might have the best of intentions, tend to have very few processes or tools to use to manage the human side of project implementation. Therefore, they rely on their common sense and communication skills to facilitate change. Sadly, these are generally not enough to ensure the success of technical (e.g., IT-enabled) or nontechnical projects.

To address these nontechnical causal factors in project failure, we need to know what they are. An analysis of three studies of project failure (Kappelman et al. 2006, Keil et al. 1998, Zwikael and Globerson 2006) suggests some answers. Table 1 shows 10 of the highest-ranked nontechnical causal factors mentioned in these three studies. The studies are coded A for Kappelman et al. (2006, p. 33), B for Keil et al. (1998, p. 78), and C for Zwikael and Globerson (2006, p. 3435).

Given these causes, what can we do to dramatically improve the rate of project success? The answer is *to use change management principles and processes to address these and related nontechnical reasons for project failure, as specialists in organization development do each day when they facilitate change*. Although this theoretical answer is simple, it is not a very practical solution to the problem, given the time and expense required to master the art of change management, even for those inclined to do so. So what can else can we do?

Nontechnical causal factor	A	B	C
Lack of top management support	1	1	2
Failure to gain user commitment		2	
Project manager cannot effectively lead team	3		
No process for controlling the change	4		12
Stakeholders not involved in the process	5	4	5
Failure to manage end user expectations		5	15
Weak team member commitment	8		14
Breakdown in stakeholder communication	9		9
Lack of key stakeholder participation in meetings	10		
Conflict between user departments		11	

**Table 1:** This table shows 10 major nontechnical reasons for project failure and their importance as each study ranks them.

The practical solution is twofold. First, line managers, project managers, and others involved in implementing new methods must understand the potentially dramatic impact that change management principles and practices can have on project success, thus motivating them to acquire new soft (i.e., people) skills and behave differently. Second, they must learn how to apply some simple and elegant approaches to facilitating change from the change management expert’s toolkit. The purpose of this article is to offer insights into both areas to provide managers with both the motivation and tools they need to ensure their projects’ success.

### The Potential for Improving Project Success

Trained as a physicist, Kurt Lewin was one of the most influential of the early social scientists in the field of group behavior. He contributed many important theories and tools for organizational change to the field of OD-change management, including group dynamics, force field analysis, a three-step change model (i.e., unfreezing, moving, and refreezing), and the action research methodology. To professionals in OD-change management, the innovative contributions of Kurt Lewin are as important as those of Abraham Maslow, who developed the hierarchy of needs theory, and Douglas McGregor, who subsequently developed Theory X – Theory Y based on Maslow’s theory, are to managers.

In his article “Group Decision and Social Change” (Gold 1999), Lewin reported on an early groundbreaking experiment in group behavior conducted in the

mid-1940s; a group of workers who chose *as a group* to improve their performance showed almost immediately an improvement of approximately 20 percent in their level of productivity compared with their average level of productivity prior to the experiment. This experiment also illustrated the permanency of group decisions; the group’s average performance remained at the same high level and showed no sign of diminishing nine months after the start of the experiment.

This early experiment in group behavior speaks to a general phenomenon with which we are all familiar—the power of groups to achieve a goal when their members are motivated to act in unison. What impact might this power of groups have if we could harness it to improve the odds of project success?

To answer this question, let us imagine that project managers are able to successfully apply the change management concepts described in the next section to their projects. Assuming that change management methods directly address about two-thirds of the causes of IT project failure (i.e., the nontechnical causal factors), then their successful application could dramatically improve the rate of IT project success (Table 2).

As Table 2 shows, the effective application of change management methods has the potential to improve the current project success rate (i.e., about 33 percent) by as much as 200 percent. Even if only 50 percent effective on average, the use of change management methods by project managers could double the success rate of IT-enabled projects. Given the high effectiveness of change management-enabled projects, which a rough approximation based on personal experience would estimate at well above 80 percent, this level of project success (i.e., 67 percent) would seem more that reasonable to expect for change management-augmented IT-enabled projects.

Change management effectiveness (%)	IT project success rate (%)	Improvement in IT project success rate (%)
0	33	0
25	50	50
50	67	100
75	83	150
100	100	200

**Table 2:** The data show the potential impact of change management methods on IT project success.

Change management effectiveness (%)	Non-IT project success rate (%)	Improvement in non-IT project success rate (%)
0	67	0
25	75	12
50	83	25
75	92	38
100	100	50

**Table 3:** The data show the potential impact of change management methods on non-IT project success.

Similarly, if we assume that the current rate of project success is twice as high for non-IT projects (i.e., 67 percent) as for IT-enabled projects, the opportunity for a major improvement in project success because of applying change management methods is still quite substantial (Table 3).

We hope that this analysis makes a convincing enough case for the effect that change management methods can have on project success that it motivates line and project managers to learn more about these methods. In the next section, we examine some simple yet elegant ideas that these motivated change agents might use to improve their rate of successful project implementation.

## Change Management Ideas for Improving Project Success

Trying to distill a rich set of change management principles, processes, and practices into a few key guidelines that do not oversimplify them is challenging. Nevertheless, our objective is to demystify these very important tools for managing the human side of any project implementation so that project managers and other change agents with little or no formal OD-change management training will choose to use them and (or) engage OD-change management professionals for assistance; therefore, this section contains a description of five fundamental underlying concepts of change management, written in layman's terms.

**Implementation Begins on Day 1.** Viewing a change effort as a sequential process in which a small group develops an implementation strategy independent of others in the organization and tries to sell it to individuals in the organization affected by the change is an almost certain prescription for failure. A broader,

more systemic view of change is crucial to project success. Viewing change from a systemic perspective means acknowledging and embracing the interconnectedness of the people affected by the change, and argues strongly for an implementation strategy that emphasizes early involvement of stakeholders in the process, in lieu of top-down, one-way communication, as the primary means of influencing stakeholder attitudes and behavior at the onset of the project.

**People Support What They Help to Create.** I learned this little pearl of change management wisdom from a very wise professor when I was pursuing a master's degree in management (Levasseur 2007). It succinctly captures the essence of the change process—namely, that the best way to overcome resistance to change is to involve people affected by it in the change process as early and often as possible. This corollary to the first point about beginning implementation on the first day of the project provides a rationale for why involvement is such an important element in an effective change strategy.

**Two-Way Communication Is Essential.** Although not sufficient in and of itself to ensure the effective implementation of a change project, regular, honest, two-way communication is, nonetheless, crucial to the success of a change effort. Everyone knows that managers do not like surprises. The same is true for employees and other stakeholders in a change effort. At the outset, effective two-way communication engages both the senders (i.e., project leaders) and receivers (i.e., stakeholders) in a meaningful dialogue about the vision and scope of the proposed change effort and its organizational and personal implications, thereby reducing natural resistance to change. This happens because a meaningful exchange (i.e., two-way communication) sends a clear message that the people affected by the change, and their ideas and feelings, are important; thus, it fosters the level of engagement and involvement needed to enable stakeholders to address their concerns satisfactorily and develop a sense of commitment to the project. As project implementation progresses, active, two-way communication keeps vital information and progress about project goals, objectives, and milestones flowing throughout the system affected by the change effort. This reinforces the notion that the stakeholders and

project leaders are engaged in a joint undertaking, which fosters the kind of concern for project success necessary to address and collectively solve problems when they arise.

**Attendance Is Not Agreement.** Many project managers mistake attendance at meetings with tacit agreement with project goals. Hence, they feel justified in assigning responsibility for follow-up actions to meeting attendees. Unfortunately, because this traditional top-down management behavior tends to create resentment and increase resistance to change, it is often counterproductive. Assigning tasks to meeting attendees does not guarantee commitment; it generally produces the opposite behavior. In contrast, committed people volunteer for important assignments. This makes the task of project leaders who begin actively engaging stakeholders in the process from day one of the project much easier. For them, it is sufficient to ask for volunteers and watch as committed and empowered meeting attendees voluntarily determine who will take responsibility for completing key action items.

**Collaboration Is the Key.** In case you have not yet figured out the fundamental principle that distinguishes effective change efforts from less successful ones, it is collaboration. Collaboration is essential to the effective application of the wide array of change management interventions available to OD-change management professionals. If you believe in the power of collaboration (aka teamwork, participation, collective effort, cooperation, etc.) to harness the inherent power of groups, then you understand why implementation must begin on day one, why people support what they help to create, why two-way communication is essential to effective change, and why commitment is a benefit that engaged, empowered stakeholders offer, rather than something that project leaders demand of them.

**Lewin's Model Shows the Way.** Although the five fundamental change management concepts described above can, if embraced and applied, improve the effectiveness of any prospective change agent, they work best when they are seen as elements of a change process or model. The most simple and elegant of these is Kurt Lewin's three-step change model—unfreezing, moving, and refreezing (Gold 1999, Lev-

asseur 2001). When viewed through the lens of Lewin's model, these five concepts address the three phases of change directly. In my experience as a project leader and a facilitator of planned, systemic change, the best way to initiate, facilitate, and ensure project success is (1) to unfreeze by engaging stakeholders early and actively in a collaborative dialogue about the change effort; (2) to initiate and sustain movement by continuing the high level of two-way communication, joint action planning, and shared implementation effort; and (3) to refreeze to a higher level of individual and organizational performance and satisfaction by reinforcing the commitment to project success based on continued collaboration for the duration of the project and beyond.

## Conclusion

In this article, we examined project success rates, suggested reasons for project failure, and provided ideas for dramatically improving the odds of project success based on established change management principles and processes. Hopefully, this will encourage managers and project leaders in all arenas to embrace change management methods and set much higher expectations for project success.

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