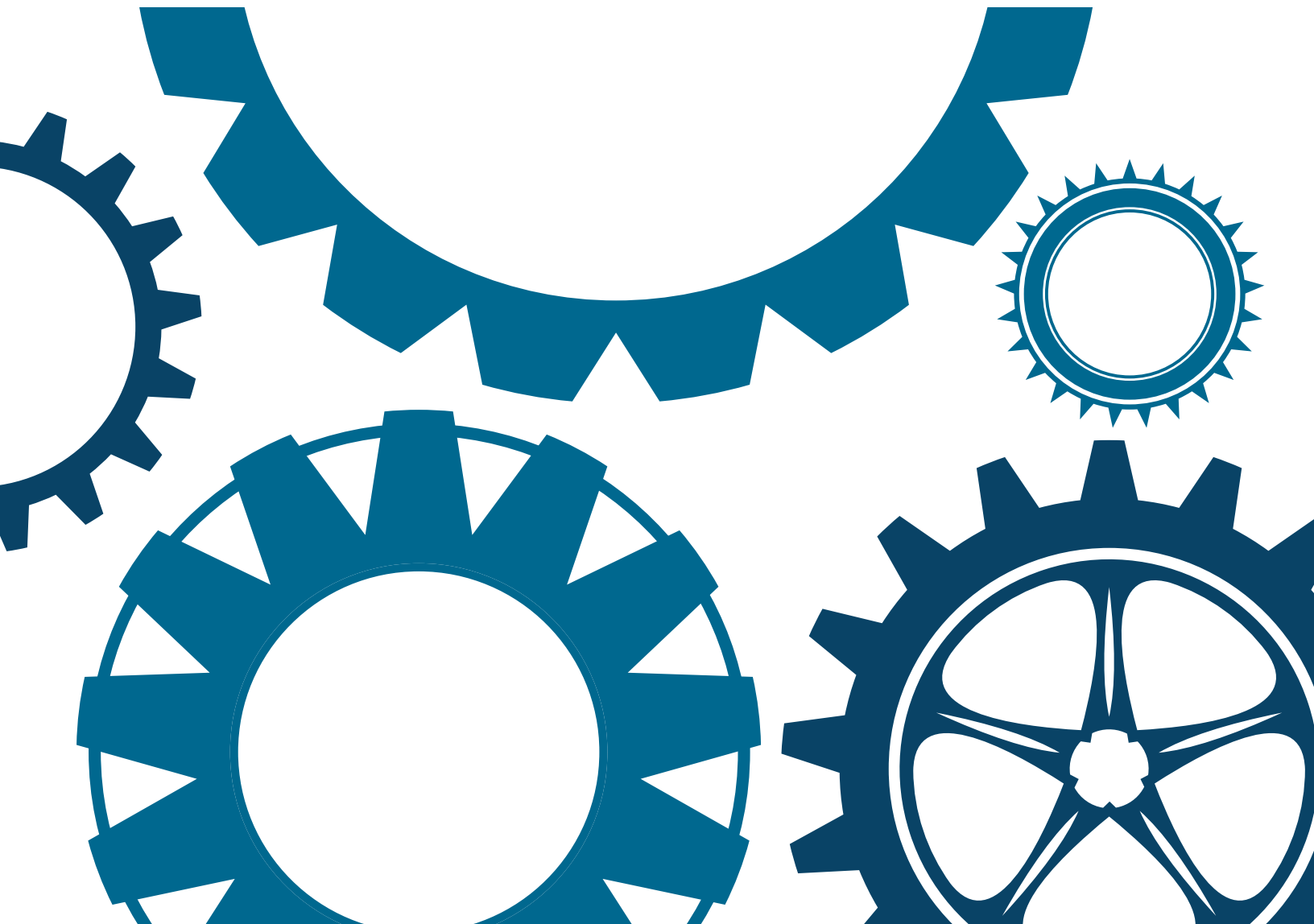


Successful Change Management Practices in the Public Sector

How governmental agencies implement
organizational change management



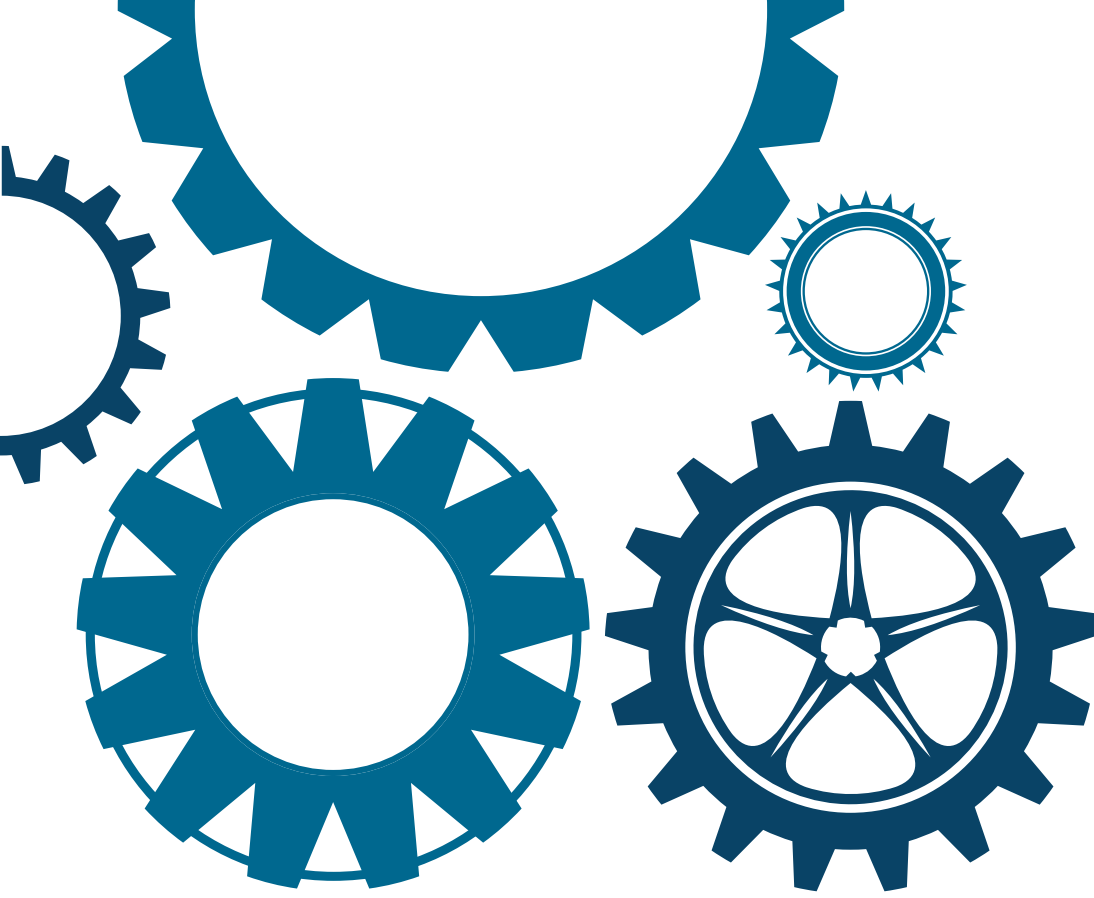


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Introduction

Challenges affect agencies and organizations of all shapes and sizes — and the government is no exception. Top-of-mind concerns at governmental agencies include the familiar challenges faced in the private sector — such as employee engagement, training, recruiting, and retention — as well as challenges unique to the public sector, such as changes to the agency’s mission or presidential transitions. Governmental agencies can address these challenges through various organizational change management strategies.

Yet effecting change is never easy and the failure rate for change management efforts of all types is around 70 percent.¹ Given this high failure rate, what can government agencies do differently to successfully practice change management? To gain a deeper understanding of the organizational change management process in government, Human Capital Media, the research arm of *Workforce* magazine, partnered with Management Concepts to launch “The Changing Government Workplace Survey.” By exclusively surveying government employees, we were able to gain deep insight on how the public sector practices successful change management at the Federal, state and local levels.

Key Findings

- A third of respondents identify as successful organizations, and report change management success at their workplaces. Their success comes from their adaptability and amenability in implementing change.
- The top three strategies employed to minimize the negative impact of change are changing processes for efficiency, providing training, and improving the workplace culture. Successful organizations consistently use these strategies to their advantage.
- The top three roadblocks to change are siloing, flawed communication, and lack of buy-in.

Identifying Change Drivers and High-performing Organizations

All organizations experience challenges to maintaining an engaged, productive workforce. Pipeline problems, digital disruption, and heightened customer expectations all drive the need for change at governmental organizations. Regardless of size or mission, these organizations must recruit and retain top talent, engage that talent, and prepare for workforce generational shifts as their employees (who are some of the oldest in the workforce²) begin to retire. By identifying the greatest change drivers their organizations face, governmental agencies can take steps to mitigate challenges and successfully enact change.

Effective change management can happen by emulating the best practices of agencies who have previously found success. These self-identified successful organizations understand the barriers to change and actively work to eliminate roadblocks with the support of leaders and all team members. For the purposes of this report, **successful organizations** are the third of respondents on “The Changing



[There will be an] increase in need for measuring citizen satisfaction with government services.

From The Changing Government Workplace Survey, programs respondent, open comments



¹ Ashkenas, R. (2013). “Change Management Needs to Change.” *Harvard Business Review*.

² Maciag, M. (2013). “Public Sector Has Some of Oldest Workers Set to Retire.” *Governing*.

FIG. 1:
Success with organizational change management (baseline organizations)

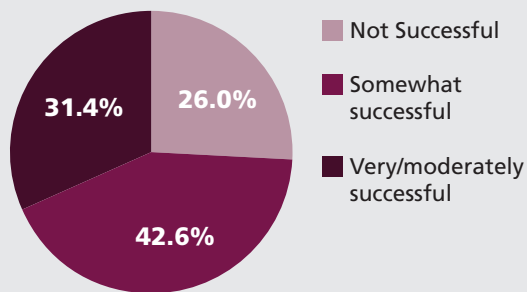
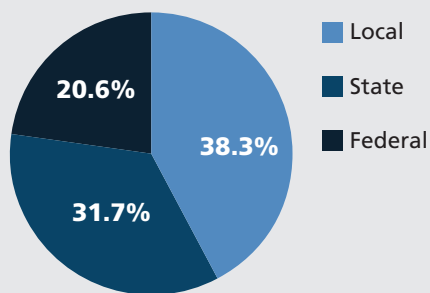


FIG. 2:
Success by government level (baseline organizations)



Government Workplace Survey” who reported that their change management efforts were either very or moderately successful (Figure 1). These organizations represent all levels of government: Federal, state and local (Figure 2).

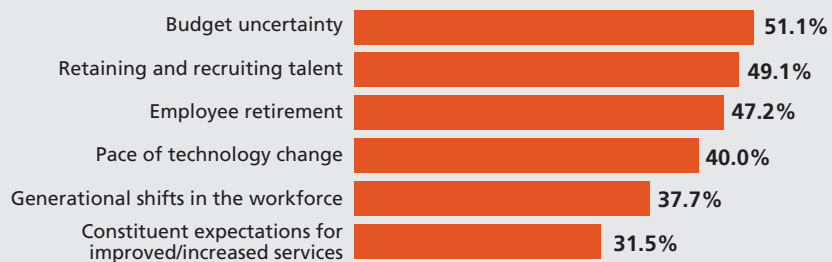
The first step to enacting change is to identify the drivers behind the need for change. Over the next three years, the top change drivers projected to have the greatest impact on governmental organizations are budget uncertainty, recruiting and retaining talent, and impending employee retirements (Figure 3).

Budget is the top concern at more than half of all organizations, even as Federal spending is expected to increase modestly over the next several years. Slow labor growth³ also feeds into expectations that talent recruiting difficulty will be a high-impact change driver in the near future. Add to this mix the third top concern — impending retirements — and a picture emerges: organizations are worried about losing their retiring employees, who may or may not be replaced by younger workers, due to constrained budgets or other factors. These change drivers together have the potential to bring about a host of workforce changes.

Even at its smoothest, change can cause all sorts of workforce disruption, such as increasing employee workload and driving down morale. With only a

third of employees actively engaged at work, organizations need to do all they can to increase rather than decrease employee engagement, which drives growth, productivity, and revenue.⁴ When practicing change management, it’s important to recognize both what change drivers are and how they affect the

FIG. 3:
Anticipated high-impact change drivers over the next three years (baseline organizations)



³ Congressional Budget Office (2016). *Summary of The Budget and Economic Outlook: 2016 to 2026*.

⁴ Adkins, A. (2016). *Little Change in U.S. Employee Engagement in January*. Gallup.

FIG. 4:

Anticipated workforce challenges brought on by high-impact change drivers (baseline organizations)



workplace, so their effects can be addressed. Among governmental agencies, the top anticipated workforce challenges brought about by change drivers are increasing employee workload, facing critical skills gaps, and experiencing lower workplace morale (Figure 4).

Organizations are concerned about many different challenges and rightly so. Retirements, budget cuts and technology

advancements affect everybody, and failure to adapt can be disastrous if employees retire faster than they can be replaced, leaving the organization with institutional knowledge loss and critical skills gaps. Until open positions are filled the work must be done by existing employees — if at all. Increased workload is a top concern at government agencies, which also feeds other challenges, such as decreased morale and top talent turnover. As younger workers are more content to leave their jobs than stay in a position where they're unhappy, ignoring change drivers can negatively impact the workforce. On the other hand, by examining and employing change management best practices, organizations should be able to mitigate the negative impact of change drivers.

Examining Change Management Best Practices

After identifying change drivers and challenges, governmental agencies should study what successful organizations do differently. How do they implement change management initiatives? What are they doing to enable successful change management efforts? How do they communicate across the organization, and are they working cross-functionally or assigning tasks to a dedicated team?

When comparing data between successful and developing organizations, patterns emerge on how to best bring about change. The initiatives in place at successful organizations are often similar to policies in place at developing organizations, just in greater numbers. Such best practices give insight into the steps governmental agencies need to take to practice successful change management.

There are many strategies organizations can take to minimize negative effects of change on their workforce, and successful organizations take proactive measures to do so. For example, on “The Changing Government



Use pull communication (or at least a variety of avenues) to communicate change all the way down to the individual contributor. Many times, individuals are in the dark while the leadership team does not share information. When this is done, it creates a stressful change environment with little trust.

From The Changing Government Workplace Survey, programs respondent, open comments



Workplace Survey” we asked: “What strategies is your organization planning to take to minimize the impact of changes on your workforce?” From providing training to changing processes for efficiency, successful organizations employ strategies to mitigate change effects at greater rates than developing organizations (Figure 5).

How do successful organizations structure their efforts to address

challenges? There are plenty of options: some agencies have a dedicated team in place to steer change management efforts. Others might rely on an ad-hoc team to come together as needed, or employ external help when changes arise. While corporations may be more likely to have dedicated change management teams, such an option may not always be available to public sector workers, who must work under stricter regulations and may not have the flexibility or agility to respond to change with a dedicated team. As one respondent noted, “it appears each work unit is tackling these issues independently, rather than developing at the agency level.”

It’s more important for agencies to have some kind of change management team they can call on — the exact structure doesn’t matter. Team structures at successful organizations vary, with the majority (44.4 percent) using ad-hoc groups as the need arises. One fifth (21.7 percent) of successful organizations use dedicated teams and only a quarter (24.4 percent) have no specific structure. Compare this with developing organizations. Of these, only 6.4 percent have dedicated teams; 29.5 percent use ad hoc groups and nearly more than half (53.7 percent) have no specified structure. Clearly having some kind of structure — even on an as-needed basis — helps with change management.

Change management doesn’t happen in a bubble, and requires input and involvement from all stakeholders across the organization. More than three quarters (75.7 percent) of high-performing organizations implement strategies with the help of other internal functions, such as Operations or IT. Working cross-functionally

helps effectively implement best practices, giving their workforce a more robust preparation for the upcoming change. In all instances of using change management practices, successful organizations practice effective change management more so than developing organizations (Figure 6).

Organizations should start with these actions — identify, align, plan, involve leaders, and

FIG. 5:
Strategies taken to minimize the impact of change on the workforce

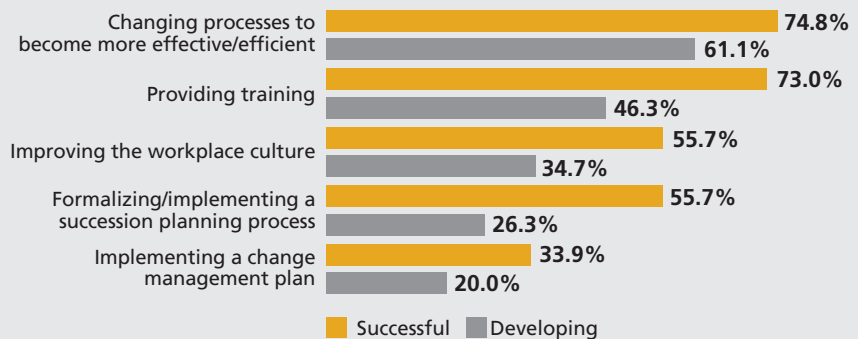
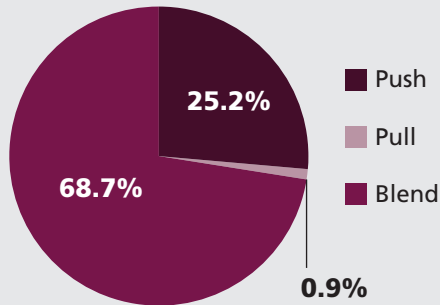


FIG. 6:
Effective use of organizational change management practices

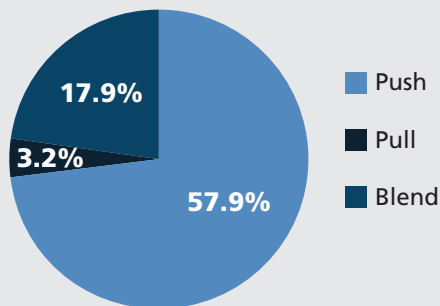


FIG. 7:
Primary communications strategy
for change management efforts

Successful Organizations



Developing Organizations



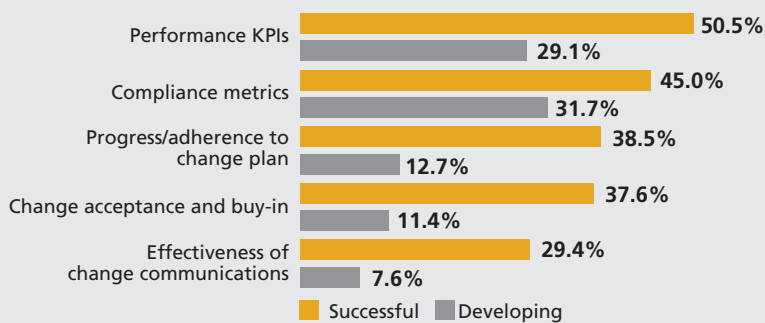
Note: Excluded None and Don't Know answers

communicate — to get the most from their change management efforts. While budget concerns are at the top of everyone’s mind regarding change management, many of these best practices require more time than money to put into place. Proper planning and alignment go a long way to ensuring success. By involving leaders from the beginning of the change management process, organizations ensure they have a sponsor for their plans. Once leaders are involved, the next step is to communicate efforts up and down the organization.

Change management requires proactive communication about the upcoming change. Here too, successful organizations behave differently. Developing organizations overwhelmingly use push communications, where information is sent directly to the employee. Less than a fifth (17.9 percent) prefer having a mix of push and pull communications, sending information out to the employee, but also making information available for employees to access at will. Among successful organizations; however, there is a definite preference for a blend of push and pull communications. Pull communications have the capacity to improve productivity — a McKinsey survey found that using a specific type of pull communication (in this case social technology) improved the productivity of knowledge workers by 20–25 percent.⁵ By including pull communications into their mix, organizations give employees the knowledge they need to succeed (Figure 7).

After organizations have aligned their efforts, secured leader buy-in, and communicated the need for change, the next step is to determine how they will assess and measure the success of their efforts. Like communication before it, identifying and tracking metrics are also areas where successful organizations do more. The number of successful organizations assessing change management

FIG. 8:
Metrics used to assess the success of organizational change management



metrics is greater than developing organizations in all areas and nearly double in some. Top metrics for assessing change management success are performance KPIs, compliance metrics and progress status, and the adherence to the change plan (Figure 8).

As change has the potential for workforce disruption, it’s important to monitor employee performance throughout the process, to ensure they’re adhering to the change

⁵ Chui, M. et al. (2012). *The social economy: Unlocking value and productivity through social technologies*. McKinsey.

plan. Compliance metrics are just as important to monitor, as government agencies must remain within the bounds of their mission and purpose. Finally, agencies won't know how successful their change plan is unless they know how much employees are following the plan. Monitoring plan adherence and following up if and when employees don't use the plan gives government agencies a better idea of how successful their change management efforts are and what they can do differently next time. Assessing metrics also helps organizations be more aware of roadblocks when they arise.

Reviewing Change Management Roadblocks

No matter how successful organizational change management efforts are, challenges still exist, and every level of government faces roadblocks to change.

However, successful organizations experience fewer roadblocks and challenges than organizations overall. From siloing to lack of leadership buy-in, many things can go wrong with change management; however, successful organizations encounter fewer roadblocks, partly because they took steps to prevent challenges before they happened (Figure 9).

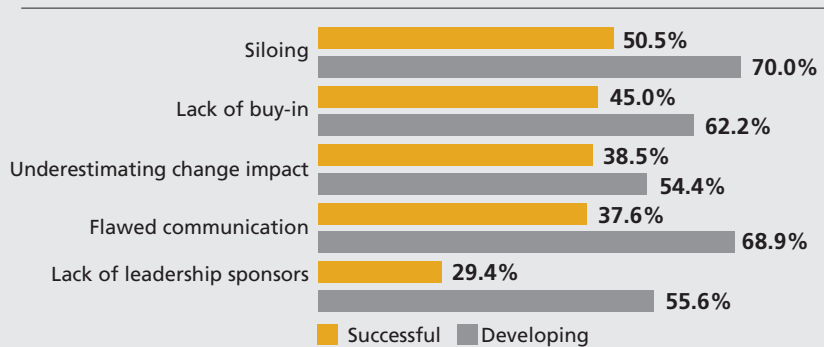


[We are] working on resilience at the individual contributor level.

From The Changing Government Workplace Survey, programs respondent, open comments



FIG. 9: Challenges/roadblocks encountered when navigating organizational change



For example, by initiating leadership action planning beforehand, organizations were less likely to have no leadership buy-in, since it was already secured in the planning process. Likewise, by varying communications methods, organizations were less likely to run into communications issues when the change was actually happening. Across the board, successful organizations encounter fewer roadblocks because they

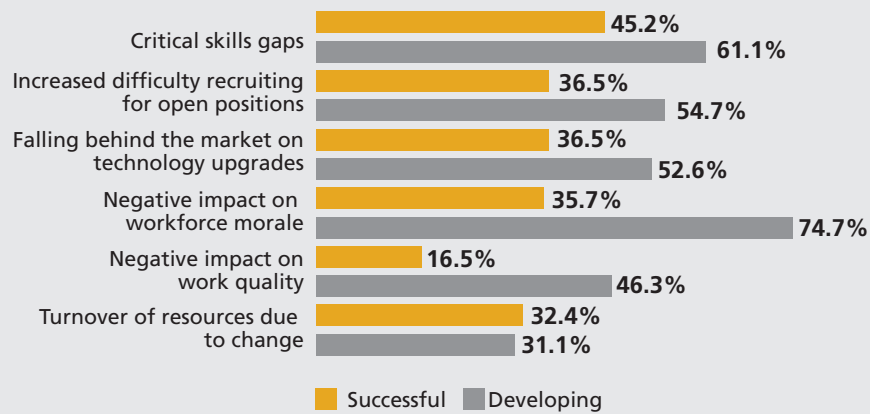
have prepared for the change and communicated the change effort to interested parties throughout the organization.

One of the biggest challenges to effective change management is siloing. To avoid the negative consequences of department siloing organizations should involve stakeholders from all interested areas.⁶ Communication among job functions and levels is critical, as successful organizations are much less likely to experience this roadblock. What's more, successful organizations anticipate fewer roadblocks in general, and with their advance planning they have good reason to believe their challenges will be few (Figure 10). By laying the groundwork before initiating change, organizations are better able to achieve their goals.

⁶ VMWare. (2010). *Achieving Control: The Four Critical Success Factors of Change Management, Technology Concepts & Business Considerations*.

FIG. 10:

Anticipated workforce challenges brought on by high-impact change drivers



While successful organizations mostly face challenges in fewer numbers, one roadblock in particular stands out: the turnover of resources due to the change. This is an issue for many organizations equally: 32.4 percent of successful organizations and 31.1 percent of developing organizations report resource turnover as a challenge. As organizations experience mission priority shifts, sometimes their allocated resources may not always be available. By streamlining processes to be more effective and efficient — a best practice in place at 75 percent of successful organizations — organizations will be better able to adapt to changing resource shifts.



[We anticipate] a lot of change in organizational structure in order to migrate losing employees to retirement and turnover.

From The Changing Government Workplace Survey, programs respondent, open comments ””

Conclusion

Organizational change management is difficult, but not impossible and successful organizations have already blazed a trail for other governmental agencies to follow. The road to successful change management begins with identifying change drivers and anticipated roadblocks, as knowing what pitfalls await make challenges easier to prepare for. A third of governmental agencies have already experienced success with their efforts, and their successes form a set of best practices for others. By communicating the effects of the change to everyone in the organization, securing leadership buy-in, and employing a variety of push and pull communications methods; governmental agencies can mitigate siloing and other roadblocks. Governmental change management doesn't require another layer of oversight, and oftentimes an ad-hoc committee can be just as successful as a dedicated team. By identifying and analyzing the metrics used to assess the success of change management, agencies will be better equipped to ensure their efforts will succeed.

Appendix

Participants

“The Changing Government Workplace Survey” polled 473 government employees about their agency’s organizational change management practices. Study participants represent a variety of job functions and organizational sizes.

Terms Used

Baseline organizations: Results from all 473 respondents of “The Changing Government Workplace Survey.”

Change management: Organizational change management (not IT or project change management).

Developing organizations: Results from the 26 percent of respondents on “The Changing Government Workplace Survey” who report that their organizational change management efforts have been unsuccessful.

Successful organizations: Results from the 31.4 percent of respondents on “The Changing Government Workplace Survey” who report that their organizational change management efforts have been either moderately or very successful.

Survey dates

January-February 2016

Demographic Information

Total number of respondents: 473

Organizational size

Less than 1,000: 39.3 percent

1,000–10,000: 40.2 percent

More than 10,000: 20.5 percent

Organizational government level

Federal: 26.6 percent

State: 28.5 percent

Local: 40.2 percent

GS level of respondents

Of Federal-level respondents, 33.3 percent are GS 14–15

Top job functions of respondents

Human resources: 39.7%

Management: 22.1%

Programs: 10.1%

Operations: 6%

About Us

Management Concepts

Management Concepts is the nation's premier provider of professional development, performance improvement and human capital solutions for the public sector. Since 1973, we have collaborated with and supported every major agency in the Federal government and thousands of state and local government offices, unleashing the potential of more than one million individuals and enhancing the performance of teams and organizations.

As a consulting practice with a training heritage, our People and Performance Consultants are experts in organizational change management, organizational culture alignment, human capital and talent management, learning and development, and performance improvement. We specialize in solutions that help agencies meet their mission objectives, thrive in complex and volatile environments, and enhance the performance of individuals, teams, and organizations.

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