Business transformation: Leadership, integration and innovation – A case study

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Abstract

The Cornerstone Program represented a significant business transformation for Hydro One. Just as a cornerstone helps determine the position of an entire structure; the Cornerstone Program has helped shape the future strategic position of Hydro One. This strategy and vision includes supporting the business infrastructure through improvements to rapidly respond to business needs, enabling rapid access to information for strategic decisions, and streamlined business operations enabling the organization to deal with growing requirements. This case study introduces a conceptual framework that draws from theoretical change models but is also grounded in the reality of the change environment at this organization. Realizing major organizational change is a complex process influenced by the characteristics of an organization, the integrated project and change management framework, and the importance of key leadership roles throughout the change process. Results from this study suggest that effective change implementation was enabled by leadership, program management, and change ownership, integrated with project implementation.

Keywords: Integrated change management framework; Second-order change; Change leadership

1. Introduction

Organizational change is a constant challenge in the business world today and plays a significant role for organizational leadership. On a daily basis organizations are challenged to improve their business performance, and take on new and exciting projects, often as a result of a change in strategy or to increase business effectiveness. With change becoming an increasingly important part of what leaders do, current organizational change literature is suggesting that senior management commitment is critical to the success of organizational change efforts (Herold and Fedor, 2008; Herzig and Jimmieson, 2006; Karp and Helgo, 2008; Raes et al., 2007).

The purpose of this paper is to form an integrated understanding of the phenomena of organizational change and leadership, exploring the frameworks upon which classical change theory has been developed. This theoretical framework provides structure to this review (Merriam, 2001) and illustrates the terminology, concepts, and theories derived from the literature. This paper will also introduce a conceptual framework that draws common elements from theoretical change models, project management methodology, and is also grounded in the reality of the environment at this organization. To address the research question, how can significant project transformations be effectively managed by leaders during the change process? The researcher began with understanding the general linkage between project management and change management using the Cornerstone Program as a case at hand. This involved analyzing the integration of change management and project management models and discussing the key leadership roles during the change process. The findings...
presented in this paper are the initial results of an exploratory action research study that investigates the relationship between project and organizational change frameworks during a significant business transformation.

2. Project rationale – the case for change

Hydro One Networks, located in Ontario, Canada is responsible for 97% of Ontario’s electricity transmission system and about one-third of the province’s distribution system (Hydro One, 2008). The 29,000 km high voltage system transmits electricity from generating facilities across the province to local distribution companies, municipal utilities and large industrial consumers. Hydro One’s low voltage distribution system brings electricity to approximately 1.3 million homes or businesses across rural Ontario (Hydro One, 2008). They are Ontario’s largest distributor, with $14 billion of assets and 122,000 km of distribution lines (Hydro One, 2008). The organization is wholly owned by the Province of Ontario, Canada.

The environment in which an organization operates, including its past and culture, has a significant impact on its ability to manage change. This organization has not been without change since the late nineties. In 1998, the Ontario Government passed legislation that would govern the province’s electricity industry, and Ontario Hydro (the predecessor company to Hydro One) was dismantled and parts were distributed to the province’s electricity industry, and Ontario Hydro (the predecessor company to Hydro One) was dismantled and parts were distributed to the province’s electricity industry, and Ontario Hydro (the predecessor company to Hydro One) was dismantled and parts were distributed to the province’s electricity industry. Hydro One Networks was formed in 2002 when the provincial government announced an action plan to not proceed with its 1998 direction to privatize the industry. Since that time a number of significant events affecting the stability of the organization occurred and there was a need to manage these unexpected events as well as maintain a focus on performing and improving the core operations of the business. These events included: the business response to September 11, 2001; government redirection of Hydro One and the Electricity Industry in Ontario in 2002; a new Corporate Strategic Plan implementation; key senior leadership turnover and transition; Severe Acute Respiratory Syndrome (SARS) in 2003; the August 14 Blackout in 2003; a labour dispute in 2005; business changes affecting the environment and culture at major work centres; and challenges associated with updating and enhancing facility technology, practices and processes.

Currently, the organization faces external pressure to achieve excellence in a rapidly changing environment. The customers they are so proud to serve want more information, more service and better quality service. Processes and systems must be capable of responding. The accomplished work program is ramping up exponentially; however, it is a challenge to find the skilled resources in the market. They face greater industry demands from customers, regulators and the public. Internal pressures include a large portion of the workforce that is eligible for retirement; a geographically dispersed workforce; and, inconsistent system and business processes, all increasing the risks and costs associated with performing effective, efficient and compliant business operations. With the business environment changing, the organization is now focusing on renewing Ontario’s Power Grid, accelerating changes in emerging technologies, creating higher expectations for quality, value and service, and providing opportunities for innovation, collaboration and leadership. All of these demands translate into Hydro One’s need to do more with less, to do things differently. And to do this means changing and creating a vision for the company to establish a high performing organization that leverages leading business practices, leading software and technology solutions, and generating breakthroughs in human performance to address past, present and future demands.

3. The Cornerstone program

In 2006, Hydro One developed and approved an information technology strategy that called for replacement of business systems. In 2007, to commence implementation of this information technology strategy, Hydro One initiated implementation of a business transformation strategy, called Cornerstone. Cornerstone Phase 1, SAP Enterprise Asset Management solution was live on June 2, 2008 as scheduled. Cornerstone Phase 2 continued the expansion of Hydro One’s SAP solution and brought a greater proportion of Hydro One’s core business systems under the same system support. The Phase 2 in-service date was August 5, 2009. The entire Cornerstone program was designed to: support the corporate mission; foster adaptation to changing conditions; create more effective and efficient business operations; enable achievement of corporate objectives; and drive employee engagement. Just as a cornerstone helps determine the position of an entire structure, the Cornerstone program was intended to help shape the future strategic position of Hydro One.

This strategy and vision included supporting the business infrastructure through improvements in an ability to rapidly respond to business needs, enabling rapid access to information for strategic decisions, streamlined business operations enabling the business to deal with growing pressures on resources, and improving the effectiveness and efficiency of business processes to better comply with regulatory requirements. By leveraging this transformation, the business considered both dimensions of the internal structures of the organization and dimensions of the context of the organization (Gareis, 2009) to transform operations, to adopt new business processes and shape the culture to deliver the same disciplined approach to understanding stakeholder and customer needs. The success of this change effort contributed to a new way of working through change leadership, process redesign, targeted technologies, and continuous improvement.

4. Literature review

This summary examines the literature, and describes and locates the subject of leadership in the change process
through a variety of perspectives on organizational development and change leadership theory. Literature supporting the integration of the internal structures and the context of an organization contributing to successful change outcomes (Gareis, 2009) are highlighted in both the project management and change management literatures. Finally, the literature associated with participatory observation and action research and the value it brings to the study of organizational change initiatives is summarized. This literature review only briefly summarizes the rich empirical research, the gaps and limitations in current knowledge, but introduces and encourages the development of new and innovative approaches through this research study that will expand our current understanding of leadership roles and their contributions to organizational change success.

5. An integrated approach to change

To be effective at leading change, companies need to design flexible change management efforts, based on the unique characteristics of the change and the culture of the organization experiencing change (Herold and Fedor, 2008; Karp and Helgo, 2008). There are a growing number of change management and project management models (Cooke-Davies and Patton, 2008; Legris and Collerette, 2006; Shenhar and Dvir, 2007) adopted by businesses today that assist with the integration and management of the tremendous amount of change projects bring to an organization. Traditional models of organizational change (Lewin, 1951) indicate that change processes should be deliberately planned and managed. The organizational change literature is extensive with models recommending various steps or phases for management and change agents to follow when initiating and implementing change (Huy, 2001; Van De Ven and Poole, 1995). Former models of change (Galpin, 1996; Kotter, 1996; Nadler and Tushman, 1997) consist of multiple phases, however, in their discussion of change management strategies and the roles that leaders play, they discuss change as if it is a discrete event, a series of steps or stages or an easily prescribed process.

Changes faced by businesses today are usually messy and complicated, affecting every aspect of a business. What is required is an ongoing process to significantly manage this change. In this kind of environment, leadership is crucial. More recent studies of organizational change focus exclusively on the leadership of senior managers (Appelbaum et al., 2008; Herold and Fedor, 2008; Herzig and Jimmieson, 2006; Raes et al., 2007). Recognition of the sponsorship role in improving the success rates of projects indicates a key theme has emerged around the pivotal role the sponsor performs in influencing the success or failure of the project (Crawford et al., 2008). Changing the attitudes and values of staff, selling the vision, implementing the change and sustaining it were concepts added to new change models (Kotter, 1996; Lacroix, 2001; Mento et al., 2002). For managing a change successfully, both the anticipated changes brought about by project initiatives and unexpected changes, the type of change, and the dimensions associated with the change, have to be clearly defined (Gareis, 2009).

An organization’s response to continuously changing conditions is no longer addressed by the occasional, planned change event designed to respond to what is viewed as unexpected change (Herold and Fedor, 2008; Herzig and Jimmieson, 2006; Weick and Quinn, 1999). There is a long-standing distinction in the change literature between descriptions of change; first-order change or incremental change, second-order or transformational change, and third-order or learning organizational change. The distinction is usually explained in terms of whether or not change is required to realize organizational performance outcomes, where first-order change does not challenge or contradict the established context of organization. Gareis (Gareis, 2009) defines second-order change as multi-dimensional, multi-level, deeper and more challenging for the organization. The changes intentionally challenge widely shared assumptions, and, in general, reframe the organizational system. This change often causes widespread anxiety, confusion, business disruption, as well as temporary productivity loss. First-order change focuses on the premise that the individual, group and organization will continuously learn at a system level, and that the organization learning will enable the organization and its members to continuously adapt to external and internal change. The focus of this paper is of a second-order change. Transformational efforts are creating a foundation to support the challenges to the existing culture, mission and organizational model (Bartunek and Moch, 1987), and where an integration of its change dimensions (Gareis, 2009) are contributing towards its success.

6. Leadership in the change process

Transformational change efforts challenge the existing culture, organizational model and leadership competencies (Bartunek and Moch, 1987) leading to a new identity (Gareis, 2009). To be effective at leading these changes, organizations need to design flexible change management efforts, based on the unique characteristics of the change, and possess the leadership competencies for leading change (Herold and Fedor, 2008; Karp and Helgo, 2008). Successful transformations can be linked to the forces that shape an organization’s culture and its performance success. To the leaders who inspire, implement creative approaches and work toward shaping a vibrant, proud culture, there appears to be strong evidence that implementing a systematic approach to change (Appelbaum et al., 2008; Griffith-Cooper and King, 2007), greater accountability through expectations, building competencies for taking responsibility for change (Bass, 1990; Hollander, 1978; Rost, 1993), and creating open dialogue (Barrett et al., 1995) all contribute to creating the right climate for facilitating and sustaining change.
Organizational change today, aligned with the overall corporate strategy, requires an organizational model and organizational leadership that is dynamic and responsive. Griffith-Cooper and King (Griffith-Cooper and King, 2007) suggests the connection between project management and change management is simply that most projects cause change and in order for the project to be successful the changes caused by the project need to be proactively managed (Harrington et al., 2002) to minimize the impact. The organizations that are doing this are also looking at their business less as operation based, and more as a series of projects to challenge and improve every aspect of what they do. This shift helps us to understand, limit, and better control the changes that are occurring. It also allows us to use a more thoughtful approach to the business, technical, and organizational issues that such changes create. Organizations that are carrying out projects are increasingly focusing on effective leadership as important success criteria (Legris and Collerette, 2006), assessing the capabilities of executive sponsors (Crawford, 2003) and project leaders in resolving extraordinary situations and challenges with today’s complex change (Griffith-Cooper and King, 2007). Kloppenborg and Opfer’s (2000) substantial literature review from the 1960s to 1990s provided insight into the project management movement and into the human resource and cultural issues as critical success factors for managing change initiated projects.

Organizational change literature and change leadership literature implies that leaders have a responsibility to orchestrate the success of organizational change efforts (Dunphy and Stace, 1988; Fiedler, 1964; Herold and Fedor, 2008; Kotter, 1996). A review of this literature further suggests that commitment to change from senior levels in the organization is critical to the success of organizational change efforts (Herold and Fedor, 2008; Kotter, 1996). This endorsement and active involvement in the change process demonstrates to others in the organization that the change is worthwhile. Change leadership implies that leaders have a responsibility (Ackerman-Anderson and Anderson, 2001; Weick and Quinn, 1999) to guide an organization through a course of change by providing direction and support throughout the process. Leaders are encouraged to exemplify change leadership behaviours (Karp and Helgo, 2008), set a vision, and communicate effectively in a way that their organization understands and will want to follow the new direction of change.

7. Research methodology: combining theory and action research

Literature addressing the chosen research method for this study included participatory observation and action research. These approaches were adopted by social scientists and practitioners to link research with actual practice (Poole and Van De Ven, 2004). Researchers and practitioner’s partner to collect data about what was happening in the organization system, diagnose the situation and take action and evaluate the results (Argyris et al., 1990). The primary target of change was focused on changing individuals or groups at the exclusion of whole systems. Interventions focused on team building, and personal development. And then in the 1980s the pace of change accelerated and global competition, turbulent markets and technological advancements caused organizations to make radical changes to their business models and strategies (Poole and Van De Ven, 2004).

Large-scale interventions, with a focus on creating a preferred future, enable change practitioners to bring together the stakeholders of a system to join around important organizational challenges (Coghlan and Brannick, 2002). Large-scale change interventions are powerful because they are effective in aligning large groups in a common direction and they reduce the amount of time needed for change. Dannemiller and Jacobs (Dannemiller and Jacobs, 1992) furthered work in the area of large-scale change to addressing the influence of the growth of technology in business. French and Bell’s (1978) definition of organizational change focused on the target of the change and specific intervention. Their focus was on strategic issues and the way in which the conceptual, strategic and practical levels of the organization system fit together. Porras and Robertson (1987) developed an organizational development theory that helped explain the ongoing tension between the theory of change and the practice of changing. Their contribution of implementation theory focuses on the intervention activities needed to execute effective planned change.

In summary, early change interventions focused on helping organizations get better through people; approaches evolved and focused attention on transformational change to explore how external events, trends and developments drive the need for new strategies, structures, and norms. While more recent organizational change approaches focus on transformational change, they are based on the assumption that the past has value (Gareis, 2009). Organizational change and change management initiatives have revealed in more recent times a move from problem-centered, discrete interventions (Oswick et al., 2005) to a focus on continuous improvements, such as organizational learning and knowledge management (Gareis, 2009).

8. Method

This study used an action research and participatory observation approach to explore linkages with organizational change and change leadership theory while working on a practical organizational issue. The researcher reported on the theoretical framework that has guided her work, will describe the intervention and action research methods used, and discuss the results in terms of applications to both connecting theory and management practice.

Participant observation is a straightforward technique that involved the researcher immersing herself in the subject/project being studied, over a 6 month period of time associated with the project implementation. While there
are limitations associated with participant observation as a data gathering technique, this approach is particularly appropriate to studies of group processes associated with project team work.

Action research as a subset of participant observation provides an opportunity where the participants in a focused change effort, self-reflect on their experiences in order to improve practice for themselves or the organization. Action can be undertaken by one individual, by a group of individuals, or as part of a team approach. Action research is a contemporary scientific approach which strives to contribute both to the practical concerns of people in an immediate problematic situation and to the objectives of social science. Within the five phases of action research including diagnosing, action planning, action taking, evaluating and specifying learning (Coghlan and Brannick, 2002), the researcher is a partner in the research process with participants, observation of the current situation informed by data about the past in order to help to create the defined future state. In this study, the researcher used action research informed by theoretical considerations and the environment for change at this organization. As this project evolved several different research tools were used including the researcher keeping a research journal, document collection and analysis, and participant observation.

Action research is ideally suited to provide actionable knowledge derived from collaborative work on organization issues (Coghlan and Brannick, 2002). It provides relevant, rich, reflective information gathered in real-time as processes and changes occur. Action research has been especially useful for today’s leaders in that it provides a sequence of events and an approach for managing change and problem solving that gets at issues of organizational concern (Coghlan and Brannick, 2002).

9. Results

9.1. An integrated change framework

The researcher presents a high level overview of an Integrated Change Framework (see Fig. 1) that incorporated an integration of multidisciplinary theories used to plan, design, and manage stakeholder expectations, changing technologies and business processes, and leadership challenges. This framework organizes processes for moving the organization from its current status to where it needed to be to ensure continued success. As a framework, it
provides guidance in managing the change so that the organization can accomplish intended business outcomes while simultaneously engaging the people in the organization in positive ways. The Framework is organized with a project management and change management methodology at its core, with each of their important elements identified.

9.1.1. The integrated change framework

The elements of the Integrated Change Framework represent the inherent logic and flow of activities for leading and achieving real change. This conceptual framework provides a set of coherent ideas organized for communication purposes, to assist in understanding the interconnections of activities and elements, and provides a basis for thinking about what we do and what it means. The researcher developed this integrated conceptual framework for project change leadership (Fig. 1). Fig. 1 depicts the conceptual framework of this study, set in the context of a dynamic organizational environment, focusing on the context of leaders at work, subject to the employer’s organizational change agenda and corporate strategy. The role for leadership operates at every intersection of the framework, however of particular focus in this study was the focus on leadership’s role within the change management framework.

While implementing this structured approach to change (Hydro One, 2007), and given the complexity of the Cornerstone initiative, the leadership team recognized the need for a proven, mature project management methodology that included effective communications, change management plans, employee engagement, and management accountabilities. This integrated approach to change included aligning relevant combinations of people, processes, policies, practices, strategies and/or systems in the organization. These are all outlined and depicted in the many aspects of this conceptual framework. Strategic interventions link the internal functioning of the organization to the larger environment and transform the organization to keep pace with changing conditions (Burke, 2002). Integrated change strategies and organizational systems are coordinated in response to external and internal influences. An example would be a strategic change plan that was developed to help employees manage the transition between a current strategy and organization design and the desired future strategic orientation. All change initiatives were grounded in and demonstrated clear and strong support to one or more of the organization’s mission, vision and values. The business case for change identified what combination(s) of people, processes, policies, practices, strategies and/or systems were not aligned and the implications for the misalignment on the business for fulfilling its mission, achieving its vision, and living by its values.

One of the leading contributors to project success was strong, visible sponsorship and leadership. In the early stages of the project life cycle there was an opportunity to build a foundation for managing the change, assessing how the impact would affect the people and the organization through project sponsorship. Fig. 2 demonstrates the change plan components contributing toward effective change implementation. Enabling features included leadership, program management, change ownership, and project team implementation.

The key change management challenge was to keep the leadership team involved and aligned by communicating about the project to ensure that they were prepared to deal with concerns of the organization.

Transforming the organization’s governance system where leadership at all levels of the organization kept employees focused on achieving the change as well as the sometimes contradictory streams of day to day activities (Gareis, 2009). This suggests that leadership is only one ingredient to sustaining change; in fact, it suggests that communications not only had to be more frequent and

![Change Plan Components](image-url)
more effective, but that the communications needed to emphasize listening, and building understanding. This contributed towards a movement in influencing the culture change and only through managers emphasizing effective communications did it create engaged employees. Effective communication means not just telling people what you want them to do or what you do; it is about genuine two-way dialogue with employees and is also depicted in this conceptual framework.

Fig. 3 outlines the different functions and activities that were included as specific elements of the change process that were felt to impact the success of the Change Management Strategy. Whatever the end goal or measures of success, it could not be achieved until each of these elements were addressed. The interdependencies were managed through integration with the project implementation and leadership actions that were integral to the successful management of these interdependencies. There are multiple activities that impact across all parts of the organization and have to be managed accordingly; a successful outcome depends on constant reinforcement of new individual behaviours, often difficult to measure and manage.

The desired future articulates what a stronger alignment of people, processes, and technologies would actually look like and how that alignment would strengthen the organization. The readiness level of key stakeholders (those directly affected by the change or those who have influence over others) must be assessed, including: how they perceive the benefits from the change, their dissatisfaction with the existing situation, how they perceive the effort required to make the change, how they perceive the challenges associated with the change. This assessment influences the strategies and plans that need to be followed in dealing with key stakeholders. The strategy addresses the fundamental “how” in achieving the desired future, given the readiness levels of key stakeholders. (For example, in the face of strong support for the change, the strategy may be to drive it forward in a short period of time, with a minimum of engagement). In the face of strong resistance however, the organizational change approach may involve a higher degree of engagement over a longer timeframe. The plan to get to the desired future details the results to be achieved, actions to be taken to get there, accountability for those actions, a time frame for completion and measures to assess progress. Implementation is the movement forward with the strategy and plan with a strong focus on measurement of both the processes and results, and a willingness to consider revisions to the plan in the face of unforeseen events. Sustainment establishes processes and ownership of those processes to ensure against slippage of the alignment that has been achieved and its results, so that they become an ongoing part of the organization. Lessons Learned identifies what is working and not working in bringing about change. Managing this change and the transformation of the business can prove difficult without an easily understood, structured approach. Lessons Learned is the final step in Hydro One’s structured approach to project and change management and a major deliverable from an overall project management perspective. This step in the project closure process provided an opportunity for people involved in the planning and implementation of similar projects to reflect on what went well and what could have gone better in managing the project and change impacts. The primary purpose of these Lessons Learned was to provide future project teams and their team leads with ideas and suggestions, for their consideration, for planning and executing their projects. Through small group meetings and one on one interviews, project team members provided their perspectives on one or more topics. These themes were then tabled in various workshops.

Fig. 3. Building a change management foundation (Hydro One, 2009).
with senior project staff where they were discussed in detail and recommendations identified.

9.1.2. Changing the way we lead change

The Cornerstone Program represents a significant business transformation for Hydro One and offers a significant set of challenges that must be responded to over the short term (3–5 years) in order to continue to deliver value for customers and the Government of Ontario. As a company they believe strongly that stakeholders, including customers, employees and communities are entitled to have high expectations from the organization. The Five Year Vision is the basis of their values and they are translating these values and perspectives into substantial changes in the way they operate and deliver service. The long term success depends on challenging how they adapt new business processes, stay ahead of real-time change and create real value for employees, customers, communities and the shareholder.

To establish a realistic change framework for managing change at this company, management needed to improve the way they would lead change. The literature on change leadership implies that leaders have a responsibility to guide an organization through a course of change by providing direction and support throughout the process. Leaders are encouraged to demonstrate change leadership behaviours, set a vision, and communicate effectively in a way that their organization understands and will want to follow the new direction of change (Kotter, 2005). Senior management has the authority and resources necessary to initiate, guide and sustain the change. In our review of the growing number of change management and project management models adopted by businesses today this organization integrated the management of the tremendous amount of change the project brings to the organization. Management of this project and the changing business environment was best managed by focused project management and effectively managing the changes.

Large-scale interventions such as the Cornerstone Program relied on the sponsorship and vision of organizational executive leadership. The change effort focused on managing at multiple levels, as seen in Fig. 4 below. Participation and collaboration throughout the whole system were required to reach an organization wide strategic goal and relied on the role of the change leader who drives the needed change (Seo et al., 2004). A key element of transformational or large-scale interventions requires leadership to provide the strategic direction and understanding of the change and the participation of key organization stakeholders to analyze, understand and drive the processes to realize the strategic direction.

During program execution a governance structure was established to ensure alignment with the Board of Directors and a new committee of the Board entitled the Business Transformation Committee. This committee provided executive oversight and guidance to ensure corporate interests and program success were met. The Cornerstone Program Governance Structure was a unique approach in the company and was structured this way to ensure success, as seen in Fig. 5 below. In addition to this, an Executive Committee, Program Level Oversight and a Project Steering Committee framework ensured linkage and alignment between early phases of the program as well as the needed outcomes over the life of the program into future phases. This linkage was intended to assist the program sustain its potential to deliver its promised value. These committees collectively made high-level decisions on the project and provided guidance to assist project lead-
ership from a corporate point of view. In addition to providing management level reviews of project status, approval of major milestones, operational oversight and guidance, this provided an integrated view of operational needs across lines of business. Project and Business Leaders had support and authority to act, worked to achieve consensus toward corporate goals and objectives, and championed the project across line of businesses and corporately, communicating as ‘one voice’ with common themes and messages.

10. Conclusion

The Cornerstone Program called into question the status quo and disrupted the alignment among organizational attributes. The organization expects the eventual outcome of such change to be a transformation or renewed organization. As the organization continues to improve the business they will draw on the extensive experience and deep knowledge of long-term employees to provide innovative ideas and drive them to fruition. All the while, those most critical employees will be retiring at record rates. The workforce presents a major challenge in the company’s ability to orchestrate innovation, and needs to be addressed through a combination of the broad based involvement of our employees in designing and implementing the changes going on now within the organization. There is every reason to believe the organization has the cultural foundation to support what they are working to achieve, where everyone is making a contribution to not just their own job but to the entire business.

Second-order change interventions are designed to encompass the entire internal and external system in which the organization resides and to create the needed organizational change. This integrated change framework provides insight into a missing but very necessary component of the second-order change effort mentioned. Though the organization is in the midst of transformational change, leadership is also making efforts to create dialogue and participation so that organizational members can effectively understand and operate within new expectations that change brings.

Two important cornerstones of change were recognized in this case study:

1. The complexity in leading significant organizational change initiatives requires a comprehensive change framework that views change as a complex, often unpredictable task, as supported by the combined paradigms of Gareis (2009), Shenhar and Dvir (2007) and Griffith-Cooper and King (2007). This is clearly supported and reflected in the Integrated Change Framework. Change leadership behaviours and insights were instrumental in carefully choosing a change path and an implementation process that was adaptive and an organizational fit rather than disruptive.

2. Business transformation implies radical change with the aim of developing new and different ways of working (Herold and Fedor, 2008). Transformational change requires strong leadership for a project to succeed, and a collaborative process initiated with staff from all parts of the business, members of the senior leadership team, all contributing to project success (Crawford et al., 2008). An increased focus on sponsorship and corporate governance provided the guidance, decision making and accountabilities required for successful project implementation while balancing and coordinating the overall needs of the organization.

This paper introduced a conceptual framework that considered perspectives from various theories and models that have contributed to the understanding of the relationship between project and organizational change. This understanding could be enhanced with further research into the relationship between project management and change management integration and what it means to
organizational change success. In light of all of the challenges, past, current and future, effective change management will represent the most important prerequisite to success with future change initiatives.

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