

Change Management in Challenging Times – A New Dimension¹

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Abstract

Today, virtually the entire globe is under lockdown and this has not only affected the business but also the people who manage these businesses. Each one of us are experiencing somethings which we had never dreamt of. Project Management professional and teams managing projects are no different. We all have been focusing on the iron triangle – Cost, Quality and Time aspects of the project and working on the plans to minimize the effect, manage the project deliveries and implement the mitigation plans to eliminate/reduce the adverse impact of Covid19. While most of us have been working on managing the risks, the changes that impact our projects mainly clubbed with the forces at interplay have added yet another important dimension – Human Dimension.

This paper is based on the observations and discussions with the Project Managers (PMs), Design Engineers, Site Engineers, Contractors and other Stakeholders. It attempts to highlight the need for focusing on managing the changes and presents a new dimension - the changes affecting the project team members. People are the backbone for any business and undoubtedly, the most important resource for the projects. The paper dwells with the major areas of concern for the project team members especially those for the construction projects and suggestions/ recommendations to manage the changes and help the team members to stay calm, composed and unruffled by the havoc caused by the unprecedented event - COVID19.

Key Words: Buyers, Change Management, Challenging times, Covid19, Contractors, Human behavior, Project Success, Project Team members, Sellers, Stakeholders.

Background

The sudden and abrupt exponential rise in the covid19 cases across the globe has virtually taken everyone by surprise and casted doubts in everyone's mind about its continuing uncertainty, returning to normalcy and resumption of normal lifestyle. Covid19 has tied the hands of the clock and with the lockdown, the world is reeling under its onslaught. It would not be an exaggeration to state that almost the entire globe is under shutdown for restoration and renovation. Each one of us has been caught unaware and

¹ How to cite this article: Thakur, H. M. (2020). Change Management in Challenging Times – A New Dimension; *PM World Journal*, Vol. IX, Issue V, May.

left groping in dark for the possible solution. The project personnel too have been witnessing the saga and are impacted badly. Worst still some experts in health care state that the pandemic is here to stay, that the time frame could be as long as 1-2 years and that it may last couple of years.

A question therefore arises – Do we stay put, sit and do nothing about it or do we accept the facts and move ahead with the tools in our toolbox and ammunition in our armory. As mentioned, the times are challenging and the challenges posed are of a different kind, therefore, to survive the onslaught of the pandemic, we not only need to think out-of-box but also redraft our the action plans to navigate us through the rough waters and swift enough to be ahead of times.

A quote below, emphasizes the need for accepting the facts and gearing ourselves to take the bull by the horns and move forward.

“Our fears, whether rational or not, cannot stop the hands of time and as time marches forward, it drags change along with it. So, we all have to face the inevitable, inescapable and immutable fact that the CHANGE IS COMING”

-- Anonymous

As seasoned professionals in the field of Project Management, we have been operating on the time test guidelines and principles of project management to sail through these testing times. Most of us have already initiated needed actions – identification of the risks, mitigation of the risks, work plans with possibility to restart/resume the work on the activities once the lockdown is lifted. Although, there are remedial measures available in the form of Force Majeure clauses etc. to protect the organization’s interests but the questions on top of our minds are –

1. Are the traditional steps good enough to revive and revitalize ourselves?
2. How do we act in the given circumstances to survive the onslaught of covid19?
3. What needs to be done differently to sustain the business?
4. How do we swing back to action and restart the economic clock to fuel the future?

Often, it is stressed that the people are the most important resource, the doers, and the backbone of any organization. It is essential to maintain their energy levels and motivate them to put in their best notwithstanding the pressures enforced by the external factors.

Role of Risk Management and Integrated Change Control:

The two most important tools and techniques readily available for us to manage the events are Risk Management and Integrated Change Control. The terms are broadly defined as –

- Risk Management process is defined as the “systematic process of identifying, analyzing, and responding to project risks”. As defined by The PMBOK® Guide

- Integrated change control (ICC) is the process of reviewing all the change requests, approving changes, and managing the changes to the deliverables. More importantly, it involves documentation of the changes and communicating the decisions about the change requests.

Most of the studies have pointed out that it is not the lack of competencies and skills but lack of application and implementation of Risk Management and Integrated Change Control processes that lead to project failures. PMBOK, emphasizes that in order to stay in control, both these processes - Risk Management and Integrated Change Control have to be performed throughout the project cycle.

We all are aware of the pitfalls of not evaluating change requests and operating on the constructive change orders that lead to gold plating etc. Also, we have observed that non-evaluation of the impact of the proposed changes on the project cost and time has been one of the prime sources of project slipping beyond Project Manager's control and eventually resulting in time and costs overruns.

It is worth reiterating that although we may have the best processes and plans in place, but at times, even the most experienced project team members tend to underrate the prudence of Risk Management and Integrated Change Control which results in slippages.

Objective

The Project team members are often driven by the pressure to perform and such situations only raise their anxiety levels. If the anxiety levels cross the threshold, some of the team members are even known to succumb to the pressures leading to poor decisions. Burnouts and depressions are not uncommon with some project team members. The overall aim of this paper is to help the project management and team members to identify the key factors and/or combination of the factors that not only demoralize the team members but also diminishes the energy levels.

We need to look beyond the traditional approaches and successfully adapt a three-step approach to help project team members overcome the pressures and stay afloat-

- 1) Observe the level of discomfort and discontentment on part of the project team members. Taking care that some persons are symptomatic while some are asymptomatic and require examining and diagnosis to identify the root causes.
- 2) Analyze and identify the root causes of the discomfort & discontentment.
- 3) Attack the causes to alleviate the pain points.

Changes and Change Management

For better understanding, the changes can be broadly categorized based on the implications of the changes on the project – Direct and Indirect.

1) **Changes having direct implications on the project** – As the name suggests, these changes have a direct bearing on the project and commonly comprises of the changes discussed below:

a) Changes that lead to the creation of deliverables/Project Product: The changes that we observe from one phase to other leading to the deliverables and overall project product are basically the ones that give shape to the project requirements i.e. these changes translate the project requirements (those specified in the contract) into the creation of a project product. Such changes in fact are required to shape the project and the outcome is in the interest of the project. The success of this series of changes from drawing board to deliverables, eventually leading to creation of a product is determined by its conformance to the requirements and the closeness of the product features to that stipulated in the technical specifications of the contract. End-to-End, these changes are the therefore referred to as the shapers of the project.

b) Changes to the Scope:

Generally, these changes are requested by the buyer and are in the form of changes to the scope of works requiring additional product features, functionality and/or ease of operation. A golden rule is that these change requests need to be evaluated and analyzed before that are acted upon. More importantly, such change requests are documented and the actions thereof relating to its acceptance and/or rejection need to be explained to the buyer. Miscommunication and/or Communication gaps are the root cause for misunderstandings and resultant discontentment and disharmony in the working relationships.

Moreover, in some cultures, a straight “No” is considered to be rude. It is, therefore, better to explain to the buyer about non-acceptance of the change request clearly bringing out the reasons/underlying facts so as to avoid ambiguity and brewing misunderstandings. Similarly, even in case of acceptance of the change request, it is important to bring out the likely impact on the CQT, although one may agree to review all the cost implications – the additional costs as well as the savings at the end of the project.

Sometimes, based on the Seller’s past experience, the changes to the scope are suggested by the sellers, particularly when they are delivering their standard product(s). Here, too, it is important to properly explain and reason it out with the buyer as to how their standard product is meeting the buyer’s requirements and bring out the advantages in terms of modular design, faster delivery, and the implications on CQT. Mainly, thrusting on the fact as to how the buyer stand to benefit by accepting the changes proposed by the seller, a WIN-WIN situation for both the parties. It is important not only to be fair in the dealings by also demonstrate the fairness and to this extent, the seller agrees to pass on the savings, if any to the buyer. Openness and transparency have always helped in

building trust and paves the way for smooth working and strain free working relationships during entire project cycle.

c) Changes attributable to the external factors –

In addition to the factors mentioned previously, there are a host of external factors that can adversely impact the project timelines. Although, one may argue that these are beyond the reasonable control of the project team and leaves little scope to exercise control over these. It is better to be mindful of these factors that can possibly derail the projects and as a proactive action, we need to stay focused to prevent and/or minimize its impact.

i) Downgrading of sovereign debt rating by an international rating agency:

Any downgrade of the country's credit rating by the international rating agencies adversely affects the capacity of the companies to raise debt funds from the domestic and international markets. Such derating not only impacts the interest rates at which the companies can float bonds and other debt instruments, this in turn restricts their capacity to raise bonds. As a result, the overall Liquidity is badly affected. The cause-effect cycle does not end here, and has far reaching consequences impairing the company's ability to raise finance for funding its growth. As such, the financial health deteriorates further.

ii) Material changes in local laws and regulations

Material changes in local laws and changes in government regulations - tax structure, accounting principles, etc. are known to affect the smooth execution of the projects. Any changes in the regulatory framework may require a restructuring of the activities, impacting the cost structure and lowering of its overall profitability. For e.g., Changes in the entire tax structure on Pan India basis for implementing Goods & Services Taxes (GST) w.e.f. July 1, 2017, resulted in the hold-up of the deliveries for close to two weeks. Some of the suppliers were either waiting for the clarity in tax structure and applicable tax rates for their class of equipment and/or non-availability of road permits for interstate transportation, this, in turn, resulted in hold-ups of the site works across the country. Of course, it is easy to blame the changes in the system and some vendors capitalized on such opportunities to escape the delays at their end.

iii) Others

Acts of God like flooding, strikes/ heavy rainfall in the vicinity of site, road blockages, landslides, etc. are known to impair the project progress. Usually, such acts of God that prevent the parties from discharging the obligations are covered in the Force Majeure (FM) clause. FM provides remedial measures to both – the buyer and the seller. It is worth emphasizing here that the parties

need to take measures to mitigate the events and only if the event makes it impossible for them to discharge their obligations, should the parties take recourse under such clause to protect its interest. Often, the sub-clauses in FM clause, makes it obligatory for the parties to deliver a notice within 7-10 days of its first occurrence and/or observation of the event by the parties.

2) Changes having indirect implications on the project:

As the name suggests, these changes have an indirect bearing on the project. The PM has to be proactive and initiate corrective action before such changes get deep rooted and adversely impacts the project. These changes relate to the behavioral changes of the project team members and the impacts are known to have far-reaching consequences. Some of these behavioral changes observed during these challenging times are discussed below:

Behavioral Changes

The challenging times have resulted in changes in the behavioral patterns on part of the project team members. In current times, we have observed that there are host of factors that have a direct bearing on the human beings. Most common of these factors include: Work From Home (WFH), Social distancing, Working at remote sites, Getting stranded at the workplace due to non-operation of the flights to the home country, Staying away from the family, Growing uncertainty, Constant bombardment by media about the upsurge of positive cases of covid19 and the associated fatalities etc. The pressure to perform clubbed with these factors have proved to be a deadly combination affecting the health and mental balance in extreme cases. Major changes observed in the behavior patterns for some of the project team members are discussed below.

The key factors observed to have a detrimental effect on the energy levels of the project team members are listed below -

Fear and Anxiety

Probing little deeper and looking for the possible causes for our fears and anxiety, we find that often our fear is attributable to:

- 1) Fear of unknown
- 2) Fear of uncertainty
- 3) Waiting for something, the outcome of which is unknown/uncertain.
- 4) No response - phone calls/emails either not answered and/or long delayed.

The fear raises our anxiety levels leading to complications like insomnia, acid reflux, headache, loss of appetite, etc. to name few. We need to probe and identify, if the fear and anxiety are within our locus of control. If “Yes”, identify the ways and means to reduce/minimize its impact. Else, we move on, not letting the fear engulf us and blinds us from seeing the things as they are. If we look around, the help is readily available and

it is free for asking. However, often, we put on the filters and do not have the needed courage to ask for help.

One of our colleague with a higher spiritual consciousness beautifully explained the situation stating that currently, we all are passing through a dark period, LET's BE THE LAMP, we not only dispel the darkness for ourselves but also help others to tread their path and overcome the fear of unknown and uncertainty.

Depression

Depression - "Depression" is contagious and very much like any other viral attack, and can be contracted by the human beings, leading to the consequences.

In recent hard times, the restrictions and lack of mobility due to the restrictions on travel have impacted our emotional state and affected our feelings. Today's dark days remind me of the dark days, we commonly witness in Finland (Nov to Jan) wherein the Sun shines for a very limited period and almost the entire day, it is pitch dark. Yet, life continues to be normal in offices, etc. With not a single leaf on the trees (except Spruce/Pine trees), we only see the branches protruding out. Above all, mobility is further restricted due to the onslaught of winter and the ambient temperature in the range of minus 10 to minus 30 deg C. It is during this period that depression overrule our emotions and we see a surge in the suicide rate across the Scandinavian countries.

However, once, the snow settles down, it is a sight to watch with purity all around and the snow reflecting the lights. The light energy revitalizes us and we are filled with Excitement & Enthusiasm.

Mother Nature is our best teacher, it teaches us to have patience. Here too, let's not despair and allow the situation to overwhelm us and drown ourselves in the whirlpool of negativity. We may be emotionally drained, yet let's not allow the negative emotions to overrule our rational self. Not accepting the situation as it is but wanting it to be exactly confirming to our expectations, we wrestle with the situation and this further drains us.

For sure, we will witness the end of darker days and emerge, winners, for there is always a light at the end of the tunnel!!

Emotional and Mood Swings

Normally, we associate our mood with the situations/circumstances. However, the fact is that the situations/circumstances don't determine our mood. Generally, it is our response to these situations that governs, and gives rise to our mood swings.

A tip - Moment, we try being a calm, compassionate, and non-judgmental observant, we find that our acceptance level rises. We are unruffled and the situation doesn't bother us anymore.

Simply, said, let's see the situation as it is and not as we want it to be!!!

Conclusions and Suggested remedial measures:

The quotes below sums up the need to accept and adapt changes in environment and act before it is too late.

“Embrace change: It is the only constant in life”

– Anonymous

“Times are undergoing violent changes, It’s time we change..

**Else..... We run the risk of being left high and dry on
the abandoned beaches of yesterday.”**

- Anonymous

PMBOK reinforces the need for staying alert, identifying the changes, and evaluating the impact of the changes on the project (primarily on the CQT). Performing Risk management and Integrated Change Control continually throughout the project cycle.

We are passing through unprecedented hard times. Covid19 has not only impacted the entire globe and forced lockdowns in almost all the countries across the globe. The uncertainty and the fear of the unknown have primarily been responsible for the demoralizing and detrimental effect on the businesses and the people world over. To survive and to attain success in such challenging times clubbed with an ever-growing uncertainty requires a different mindset and out-of-box thinking, else, we too would drown ourselves in the depression.

Amongst others, it is essential to observe, monitor, and pick up Early Warning Signals (EWS) for any changes in the behavior patterns of the project team members. Some team members are symptomatic whereas some are asymptomatic and need little deeper digging for proper diagnosis about the root causes for such changes in their behavior patterns. Fear, Anxiety, Depression, Emotional mood swings, etc. are the major factors that result in behavior changes. If not acted in the early stages, these spiral upwards and these too have contagious effects and impair the working of the entire team.

“We must cease to fear change. Change is only traumatic if we try to resist it”.

- Anonymous

Challenging times call for different actions, here too, the PMs, as the team leaders need to play a different role using their soft skills to ascertain the real causes of the stress. Amongst others, the PMs have to focus on – motivating the team members by staying connected as a team, creating conducive environment, and encouraging free flow of thoughts. Regular e-meetings with the team members help the team members to open up and express themselves, identify their pain points and take requisite actions. Some organizations have even devised a novel way “Virtual Happy hours” and have been conducting informal e-meetings mainly to encourage the team members to vent out their feelings. Informal e-meetings sharing lighter moments have helped in diffusing tensions.

Hard times shape us into something more refined and resilient. We need to make proper use of these challenging times to stay fit, revitalize and rejuvenate ourselves. Remember, like rough seas make a good sailor and tough times toughen our minds, it's all about higher mental strength i.e. mind over body.

More importantly, let's utilize this time to chalk out the revival plans and emerge winners.

To sum up –

***“Changes are inevitable and not always controllable.
What can be controlled is how you manage,
react to and work through the change process”.***

— Kelly A. Morgan

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Acknowledgements

Friends, colleagues and members, Project Management group in Wärtsilä Finland Oy & Wärtsilä India Pvt. Ltd. for the insights into major risks encountered and their impact on the projects. Thanks are also due to all those who have directly & indirectly made the completion of this paper possible.

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