

# Balanced Diversity

## A Portfolio Approach to Organizational Change

---

Karen Ferris

### ABSTRACT

This paper presents a new and innovative framework for embedding IT Service Management change into an organizational culture. The framework is the result of research commissioned by the Network for Business Sustainability (NBS) and undertaken by Dr. Stephanie Bertels, Daniel Papania and Lisa Papania at Simon Fraser University.

1	INTRODUCTION .....	3
2	THE CHANGE CHALLENGE.....	4
2.1	WHY IT IS TOUGH .....	5
2.2	THE SOLUTION .....	6
3	THE FRAMEWORK.....	6
4	A PORTFOLIO APPROACH .....	13
4.1	USING THE FRAMEWORK.....	13
5	APPLYING THE FRAMEWORK .....	17
6	EXAMPLES BY QUADRANT.....	18
6.1	Fostering COMMITMENT .....	19
6.2	CLARIFYING EXPECTATIONS .....	22
6.3	BUILDING MOMENTUM FOR CHANGE .....	26
6.4	INSTILLING CAPACITY FOR CHANGE.....	30

## 1 INTRODUCTION

Earlier this year I was scanning the internet for information on sustainability driven by my interest in using IT Service Management (ITSM) to improve the sustainability of IT.

During that search, I stumbled across a body of research that was going to change the rest of my year. The research had produced a framework that would enable organizational change to be successfully embedded into an organization.

In 2010, the Network for Business Sustainability (NBS), a Canadian non-profit that produces authoritative resources on important sustainability issues, commissioned research to determine how organizations can embed sustainability into the organizational culture.

As I examined the research results I soon realised that what I was reading had far reaching implications for any of us trying to lead change. Although the focus of the research was on embedding sustainability into organizational culture, the results clearly showed that the findings could be related to embedding any type of change into an organization including ITSM.

The challenge faced by most leaders of change is not so much about making a change in the first place, but making it stick. The successful change is one that becomes part of the culture of the organization. That is, 'the way in which we do things around here'.

Most change initiatives fail because there is insufficient focus on the activities and practices that need to be carried out to embed change into the organizational culture. It is problems such as passive resistance to change, inertia and competing priorities that lead to the failure of IT service management change initiatives to yield the promised return.

The framework I will describe in this paper is an invaluable reference guide for those trying to overcome those problems. Every change leader needs a wide range of practices within their change toolkit that can be used to successfully establish a change into the fabric of the organization.

The framework provides that range of practices.

The fundamental difference between this approach and other change models is that it advocates a balanced approach. The practices are arranged into groups of informal and formal practices that either deliver on current commitments (fulfilment) or move the organization further along the path to change (innovation).

The key is to select a balance of practices from each group in order to successfully embed the change into the organizations. Just as we should select a balance of foods from each of the four food groups for a healthy life, it is the same approach for healthy change i.e. one that becomes part of the DNA of the organization.

The research was a large-scale systematic review of both academic and practitioner resources related to embedding sustainability into organizational culture. The research team led by Dr. Stephanie Bertels identified 13,756 academic and practitioner articles and reports related to the topic.

A detailed review then narrowed this down to the most relevant 179 to be included in the systematic review.

The extensive analysis of these sources revealed a multitude of ways that organizations can work to embed sustainability into organizational culture. In the end the research team identified 59 distinct practices and grouped them in way that they anticipated would be meaningful to businesses.

The research is entitled, "Embedding Sustainability in Organizational Culture" and can be accessed at <http://www.nbs.net/knowledge/culture/systematic-review-organizational-culture/>.

On discovery of this research I contacted NBS to request permission to reference the material in a white paper which I was keen to write as I knew I had uncovered something that was going to transform the way we look at introducing changes related to ITSM into our organizations.

Having been kindly given their permission, I had to soon return to ask whether that permission would be transferable to a book. The white paper had evolved into far more than intended as my excitement about the research application to IT Service Management continued to grow.

NBS put me in touch with Dr. Stephanie Bertels to whom I am eternally grateful for her willingness to allow me to use the research within the book that I spent the rest of this year writing.

The book entitled "Balanced Diversity – A Portfolio Approach to Organizational Change" describes in detail how the research results can be applied to ITSM change.

What I would like to share in this paper is some of what is covered in the book. This includes why organizational change is a challenge and how I believe that the research and the resulting framework can help leaders of change be successful in their change endeavours.

## **2 THE CHANGE CHALLENGE**

Organizational culture is made up of the values, beliefs, underlying assumptions, attitudes, and behaviours shared by a group of people. It is often intangible and invisible but as a member of an organization you soon come to sense what the culture of that organization is.

Culture is the glue that holds the organization together.

Culture describes the behaviours that represent the general operating norms in the organization. That is – "the way in which we do things around here".

It is because it is "the way in which we do things around here" that makes it difficult to change. This is the organizational culture challenge.

Change to organizational culture requires people to change their behaviours. It may require them to change their beliefs and attitudes along with those behaviours.

This behaviour could be one that has been in place for a long period of time and entrenched into the fabric of the organization.

It is often difficult for people to unlearn their old way of doing things, and to start performing the new behaviours consistently. The key here is the word "consistently".



We often see people change their behaviours as a result of the change we have introduced into the organization, only to see them revert back to their old behaviours after a period of time that may not be that long in duration.

The real challenge is not so much making the change but embedding it in the organization so that it lasts. The real challenge is making the new change become part of the fabric of the organization replacing the old ways of doing things so that the new change becomes "the way in which we do things around here".

## **2.1 WHY IT IS TOUGH**

We have established that changing the organizational culture is a challenge because it is can be hard to get people to change the way in which they may have done something for a long time and moreover, making that change stick and avoiding people reverting back to the old ways of doing things.

Despite all the guidance that is available to us on organizational change, how it is that it is still a struggle for most organizations and leaders of change?

My belief is that it is a challenge, not only because it involves changing people, but changing a lot of people and in most cases changing them all during a relatively short space of time.

Each and every one of those people is different. They all have different values, different beliefs, different attitudes and differing behaviours. Many of those will be driven and varied by demographics, cultural influences, geographical influences and socio-economic status etc. The complexity of what we are trying to change is huge. It is also not static. People's values, beliefs, attitudes, and behaviours change all the time.

If everyone was the same and the target wasn't constantly moving, changing the organizational structure would not be so tough.

There is even more complexity to consider. This is the fact that everyone will respond differently to change. Some people will lead change, some will actively embrace change whilst others will resist it in many ways.

Add to that the fact that everyone will respond differently to every change depending on the nature of the change and how it will impact the individual. The same person may embrace change A because it has a perceived minimum impact on currently held values, beliefs, attitudes and behaviours but when faced with change B, it could be a totally different situation because the change is perceived to have an adverse impact on that person.

In addition to this complexity there is another variable, which is the speed with which people will adapt to change and adopt different behaviours. Everyone will respond to change at a different pace. Some may be quick to adopt a change whilst others may take a lot longer.

It is the mix of variables and the unpredictable nature of human behaviour that presents us with the challenge of successful organizational change. This is what makes it tough.

A lack of recognition of this situation will cause many organizations and leaders of change to come unstuck.

A one-size-fits-all approach to the introduction of change into the organizational culture is not going to work due to nature of what is being dealt with.

Organizations often fall into the trap of believing that training staff; setting some goals and metrics; monitoring and tracking performance against those metrics; and reporting the outcomes will establish a change in the organizational culture. Clearly, this is not the case.

What is needed is a diverse set of practices and a balanced approach. The framework described in the rest of this paper provides the solution.

## 2.2 THE SOLUTION

The framework that was the outcome of the NBS research contains 59 practices for embedding change into organizational culture.

The framework is structured in such a way that allows practices to be selected from four quadrants. The key is for the selection to be balanced across all four quadrants.

This provides a portfolio approach to organizational change. The portfolio will include both formal and informal practices that deliver on current change commitments and also move the organization further along the path to future change initiatives.

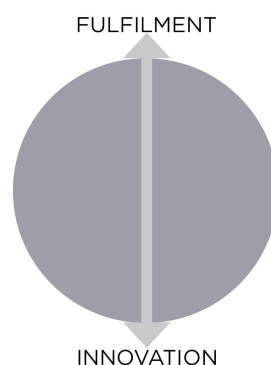
It is this diverse yet balanced set of practices that will enable change to be successfully embedded into the organizational culture and become “the way in which we do things around here”.

## 3 THE FRAMEWORK

The framework revolves around two main dimensions relating to intent and approach. Intent is what you are trying to accomplish. Approach is how you are going to do it.

### INTENT: WHAT YOU ARE TRYING TO ACCOMPLISH

On the path to making a change, organizations face tensions between ensuring that they meet existing commitments (fulfilment) and making way for changes that will help them improve performance in the long term (innovation). These two goals form the vertical axis.

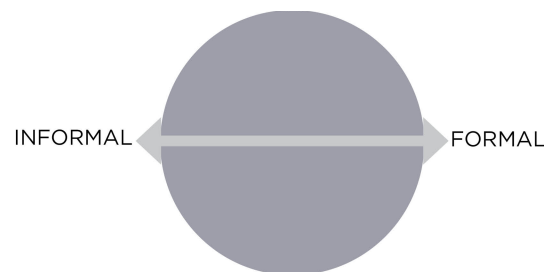


**Fulfilment:** These are practices targeted at delivering on current commitments or implementing current initiatives. These practices involve discussion about what the organization "should do" and emphasize compliance, operational excellence and targeted reinforcement or refining what the organization is already doing in the area of the intended change.

**Innovation:** These are practices aimed at innovation – that is, looking at better or different ways to do things. These practices involve discussion about what the organization "could do" and involve experimenting, listening and trying new things.

### **APPROACH: HOW YOU ARE DOING IT**

There are two different approaches to embedding change: informal and formal. There is an ongoing interplay between these approaches and both impact culture. This requires management awareness of the impact of both "hard" and "soft" approaches to building cultural change.



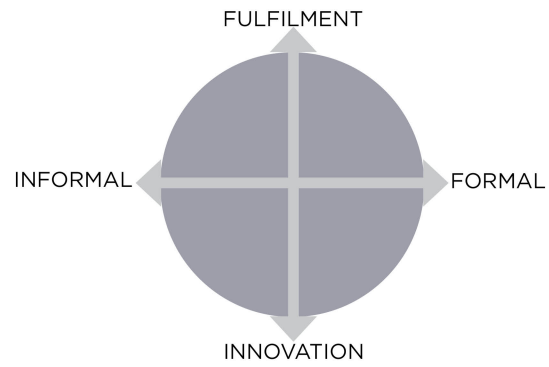
**Informal:** The informal approaches to shaping an organization's culture targets people's values as well as social norms. A social norm is an expectation that people will behave in a certain way.

Norms (as opposed to rules) are enforced by other members of the organization through the use of social sanction. Norms and values are generally passed on and shaped through observation or experience.

Thus, informal approaches aim to establish and reinforce shared values and shared ways of doing things that align the organization with its journey towards **the intended** change. This is often accomplished through discussion, through experiences and by modelling desired behaviours.

**Formal:** Formal approaches to shaping an organization's culture try to guide behaviour through the rules, systems and procedures. The idea is to codify and organise values and behaviours that have developed informally. This is often accomplished by generating documents and texts such as codes of conduct, procedures, systems and training materials and by implementing programs.

The resulting four quadrants, as shown below, represent the different "types" of practices that can be employed to embed change into the organizational culture.



The 59 practices identified by the research are grouped into 20 categories across the four quadrants and the categories are shown in Figure 1.

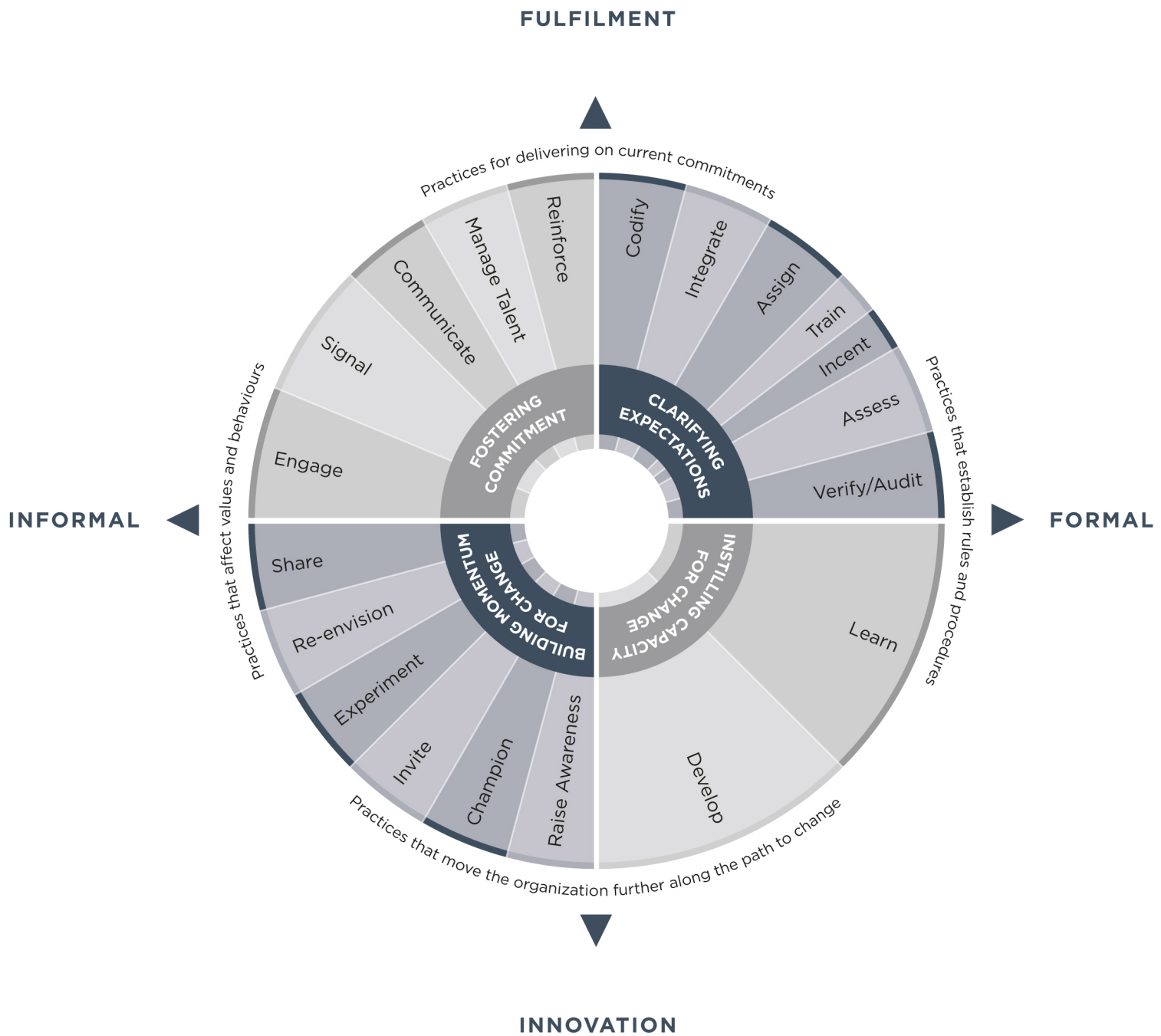


Figure 1: Framework Categories (Bertels, Papania & Papania, 2010)

The quadrant that depicts informal practices aimed at fulfilment is called **“fostering commitment”**.

Practices in this quadrant aim to build and reinforce the importance of the change for the organization and to support and encourage those who are making efforts to embed the change.

There are five categories of practices: engaging, signalling, communicating, managing talent and reinforcing.

The quadrant that depicts the formal practices aimed at fulfilment is called **“clarifying expectations”**.

The practices in this quadrant aim to integrate the change into the core of the organization's strategies and processes; equip and encourage employees via training and incentives; and measure, track and report on the organization's progress.

There are seven categories of practices: codifying, integrating, assigning responsibility, training, incenting, assessing and verifying / auditing.

The quadrant that depicts the informal practices aimed at innovation is called **“building momentum for change”**.

The practices in this quadrant aim to support a culture of change innovation by developing the new ideas needed to bring the organization closer to its long-term goals. These practices inspire and reassure employees so that they can experiment, try new things, and build on each other's ideas.

There are six categories of practice in this quadrant: awareness raising, championing, inviting, experimenting, re-envisioning and sharing.

The quadrant that depicts the formal practices aimed at innovation is called **“instilling capacity for change”**.

Practices in this quadrant aim to create structures or supports that will form a foundation for future changes in the organization.

There are two categories of practices: learning and developing.

The 59 practices are grouped into categories and distributed across the four quadrants as shown in Figure 2.

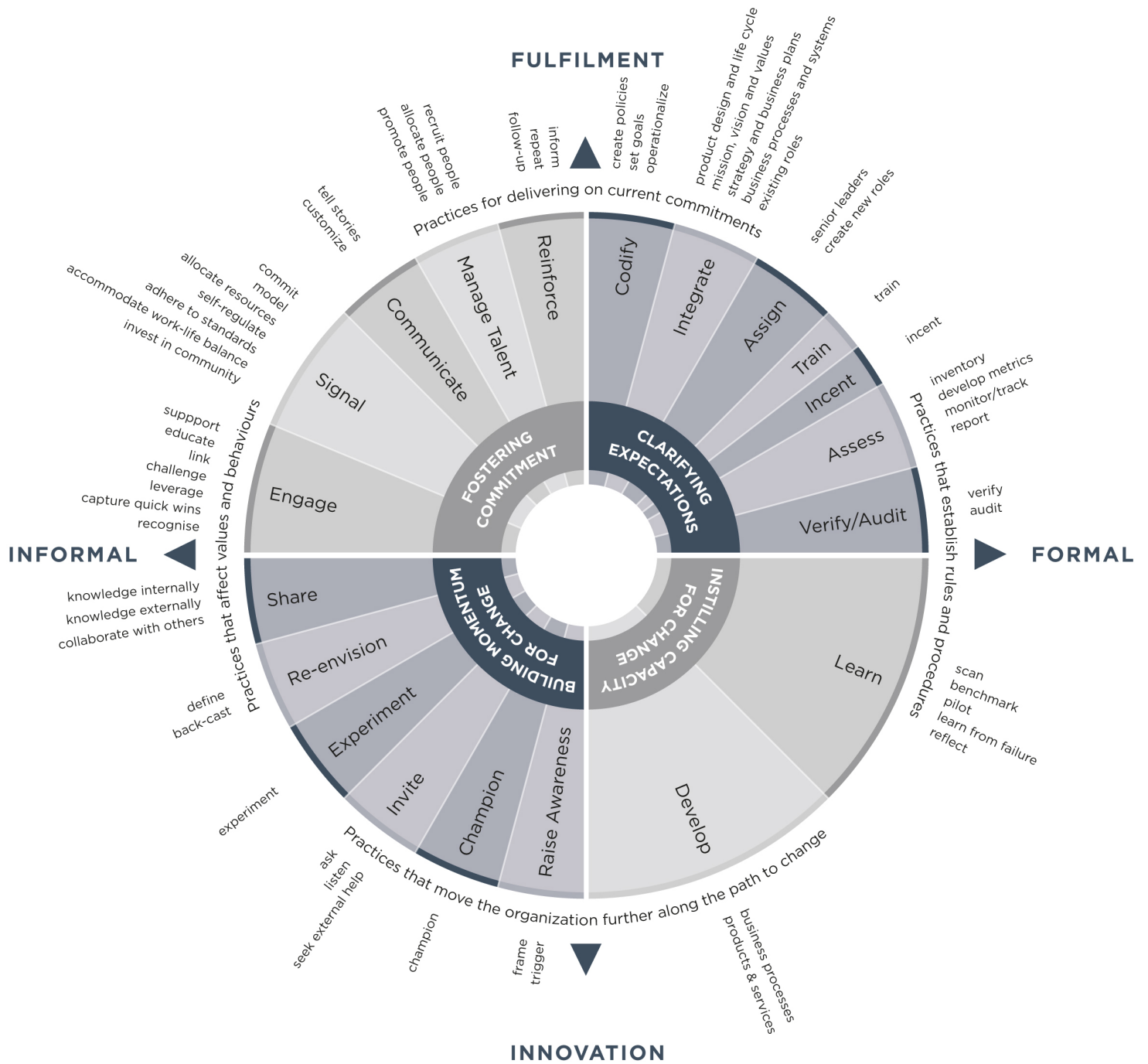


Figure 2: Framework Practices (Bertels, Papania & Papania, 2010)

*It should be noted at this point that the use of the term "informal" does not mean that the practices in these quadrants are unstructured or random practices. In fact they are quite the opposite. They are structured practices that will leverage informal channels leading to successful change.*

*For example, in the quadrant called "Fostering Commitment" which contains informal practices for delivering on current commitments, there is a category called "Manage Talent". The practices within this category are "recruit people", "allocate people" and "promote people".*

*These structured practices will result in "informal" change levers. These include attracting, retaining and motivating staff. Motivated people are willing to disseminate information and coordinate action that contributes to the embedding of change. Promotion of supporters of change sends a strong message to other employees indicating the importance of this behaviour to the organization. This can drive changes in current behaviour towards desired behaviour that support the change.*

*It is these values and behaviours that have developed informally that are codified and organised through the formal practices.*



## **4 A PORTFOLIO APPROACH**

Organizations should draw practices from all four quadrants of the framework in the effort to embed a change within the organization. Similar to the need to consume food from each of the four food groups for good health, it is a balanced approach, using a wide and diverse range of practices that will achieve successful organizational change.

Those working to embed change into the organization need a portfolio of practices at their disposal. The portfolio of practices creates a balanced diversity to ensure successful change.

The approach can be used for strategic, tactical and operational change. It can be used for small, medium and large changes of varying complexity and priority.

### **4.1 USING THE FRAMEWORK**

There are a number of ways in which the framework can be used. The framework can be used to assess a current change initiative and perform a gap analysis or it can be used for planning the approach to future change initiatives. The following two sections explore the use of the framework in each of those contexts.

#### **4.1.1 Current Change Initiatives - Gap Assessment**

It can be used to provide a baseline and gap assessment of your current change initiatives.

Scan across the four quadrants of the framework and determine to what extent you make use of a particular practice within each quadrant. For each practice determine those that you don't use at all, those that you use but infrequently and those that you employ heavily.

What you are looking for is a balance across all four quadrants. It doesn't have to be a perfect balance but you want to eliminate heavy use of one quadrant over another.

Of the practices that you don't currently use, identify those that you could employ to bring about a balanced approach. For those practices you current employ, determine whether to increase or decrease the usage of that practice to bring about a balance. You may decide to eliminate the use of a practice you currently employ in order to use the resources allocated to that practice elsewhere.

Figure 3 is an example of an unbalanced portfolio. Colour coding has been used to identify those practices that are heavily used and those that are partially used. The practices that are not circled are not used at all.

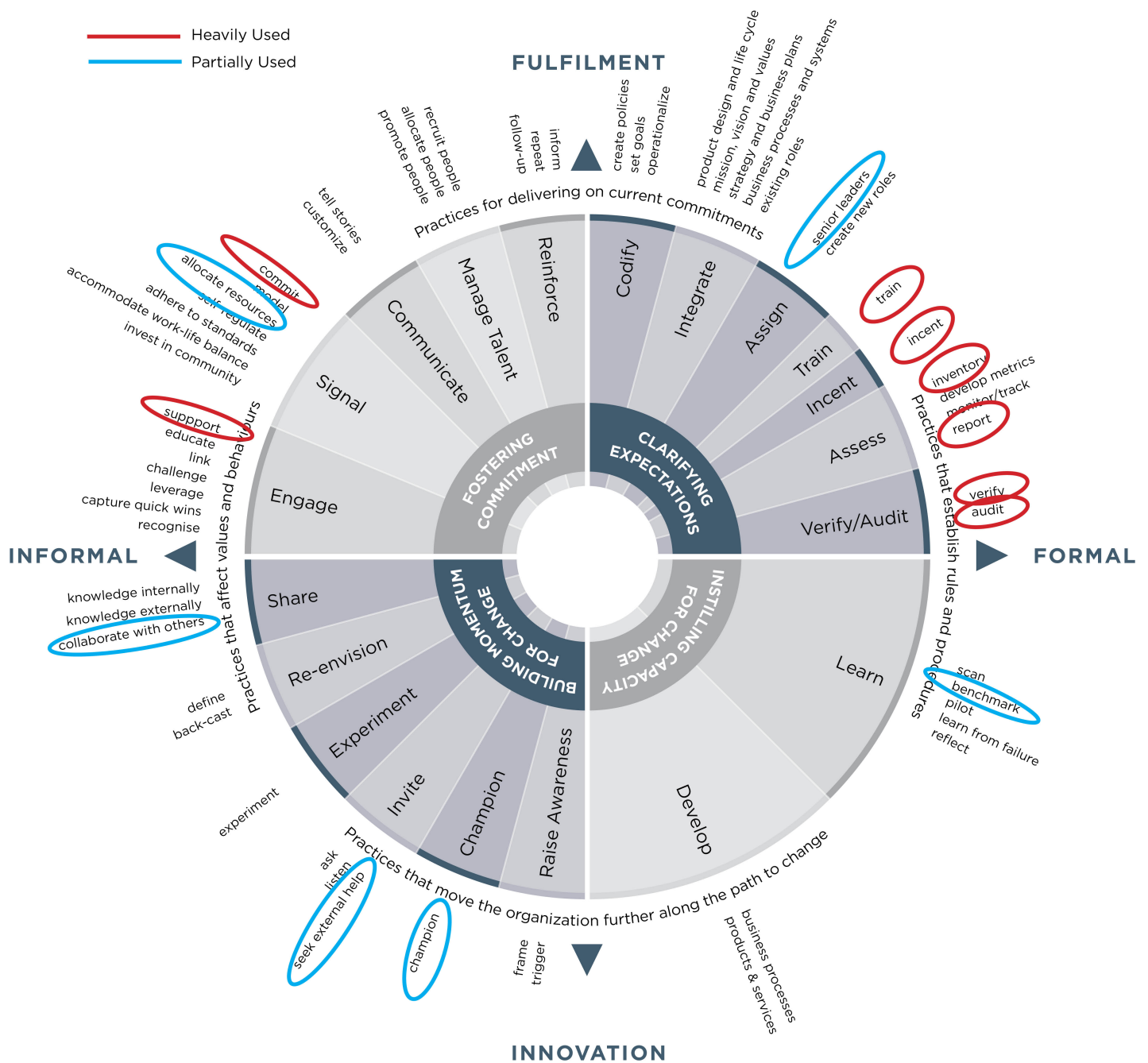


Figure 3: Example of an Unbalanced Portfolio

In this example, there is heavy usage of practices in the "Clarifying Expectations" quadrant and little usage of practices in the "Instilling Capacity for Change" quadrant. The emphasis in this example is on formal and informal practices targeted at delivering on current commitments. There is minimal usage of practices, both formal and informal, aimed at innovation.

The practices currently being employed to embed a change into the organization need to be revisited so that a balanced approach is obtained. The outcome should be a balanced portfolio as shown in Figure 4.

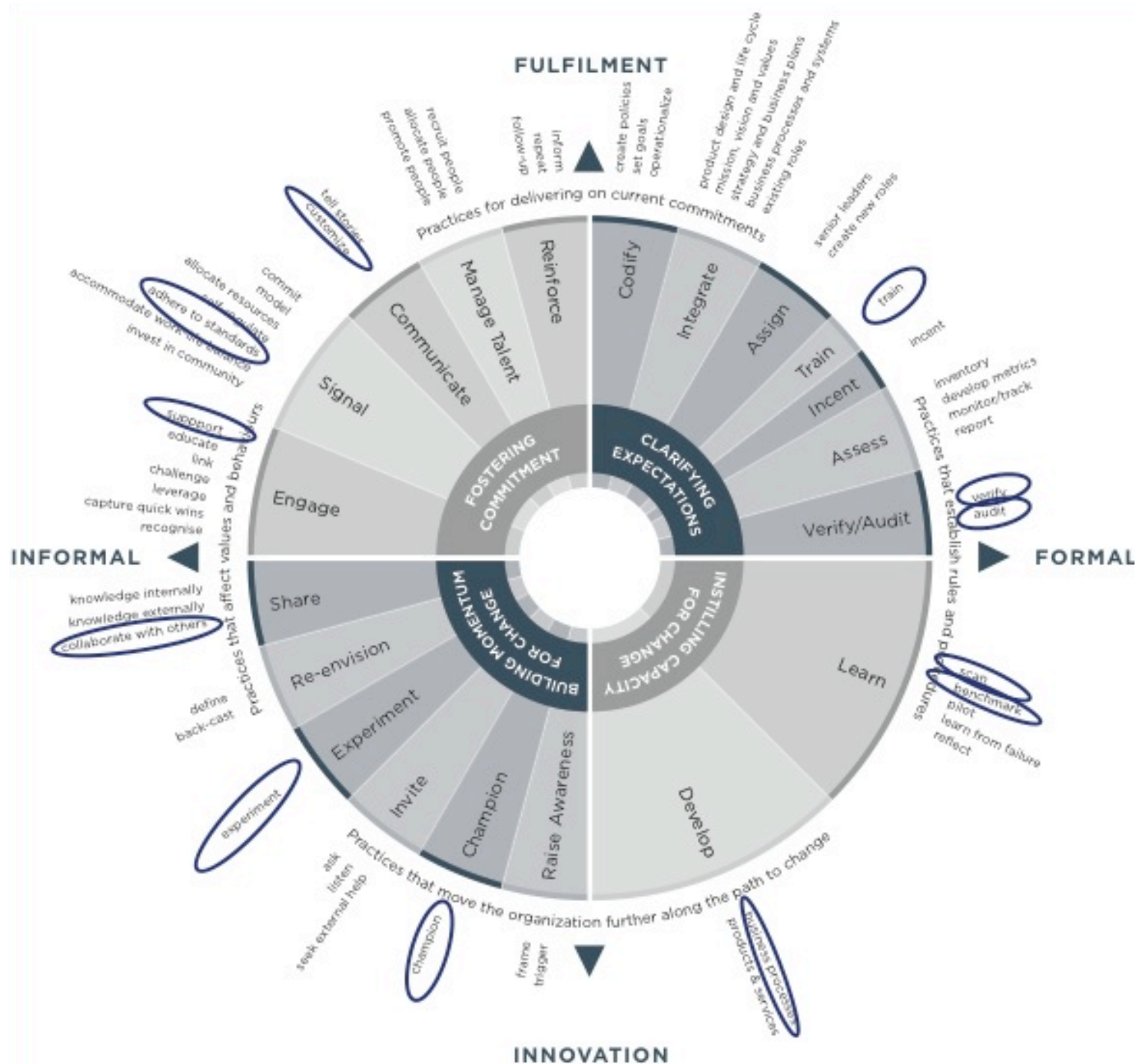


Figure 4: Example of a Balanced Portfolio

#### **4.1.2 Future Change Initiatives - Planning**

The framework can be used to plan new change initiatives and ensure that there will be a balanced approach.

With a particular change initiative in mind, scan across the four quadrants and select a diversified sub-set of practices that are best suited to your organization and/or team for implementing and embedding this change into the organization.

Ensure that you select practices from each of the four quadrants.

The key is to have a balance across the framework to give you a portfolio approach. Make sure you are not expending too much energy on the practices in one quadrant at the expense of those in another. Figure 4 is an example of a balanced portfolio.

The number and type of practices you choose will depend on the resources and capabilities you have available to employ those practices. Don't choose more practices than you are capable of employing effectively.

Consideration needs to be given to the capabilities e.g. skills and experience, as well as the resources e.g. people, time, finances etc. that will be needed to effectively employ the chosen practices. This should include use of both internally available and externally available capabilities and resources.

The number and type of practices may also be driven by the nature of the change being planned. For example, a strategic change that is going to have widespread impact across the entire organization may warrant a larger number of practices than for an operational or tactical change. An operational change that is limited to a small group of people may only need one practice from each quadrant of the framework to effectively embed the change.

## **5 APPLYING THE FRAMEWORK**

The framework should be used within a model for continual improvement. The Plan, Do, Check, Act (PDCA) framework is a simply but effective approach to continual improvement.

Dr. W Edwards Deming, a quality management authority, made the PDCA framework popular in the 1950s. It was originally developed by Walter Shewhart, a pioneering statistician who developed statistical process control in the Bell Laboratories in the USA during the 1930s.

Often now referred to as the Deming cycle or wheel, Deming himself always referred to it as the Shewhart cycle. PCDA was modified to "Plan, Do, Study, Act", later in Deming's career as the word "study" had closer meaning in English to the intent of Shewhart's word "check".

The PDCA framework is a four-stage approach to improvement.

PLAN: Determine what needs to be improved. Gather data. Ask questions.

DO: Implement the solution – on small scale if possible to test possible effects. Begin analysis.

- CHECK: Monitor and review the change. Measure and compare results with expected results to determine any differences.
- ACT: Make any required changes. Fully implement and embed. Embark on the next cycle of improvement.



During the PLAN stage the framework should be used to determine which practices are going to be applied to embed the change into the organizational culture.

The DO stage is where the practices get executed and the CHECK stage assesses the results.

The ACT stage is where any required changes to the selected practices (based on the results from the CHECK stage) will be made. The lessons learnt could be adopted, abandoned or put through another PDCA cycle. This stage may include a revisit to the framework if the change is not being embedded as expected and alternative practices engaged. This could include the abandonment of some practices, the introduction of new ones or an alteration in the level of usage of a practice e.g. decrease or increase. The key is to remember to check that there is still a balance across all four quadrants following any alterations made.

## 6 EXAMPLES BY QUADRANT

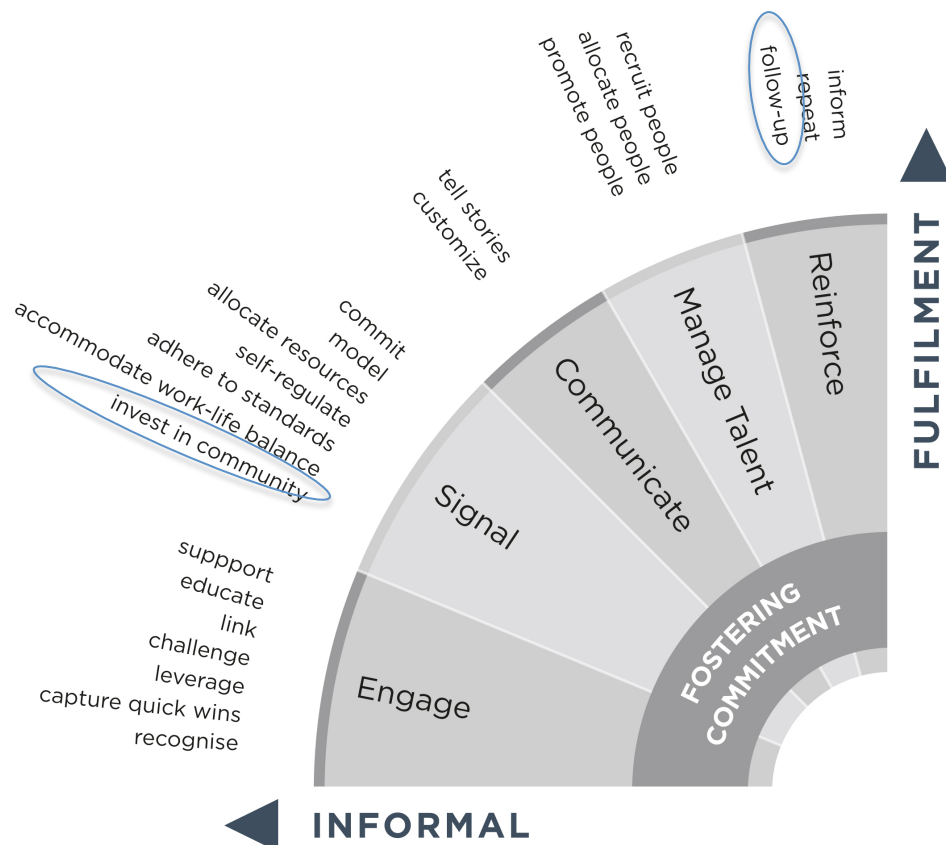
In the book, each of the 59 practices contained within the framework and their application to ITSM are described in detail.

In this paper, as an introduction to the framework, I have selected two categories within each quadrant. I have then selected a practice from each of those categories and described the practice and its application to ITSM.

*These practices have only been selected as examples and are not indicative of ones that should be selected for your change initiatives in your organization.*

The format of the following sections is as follows. First, there is a description of the quadrant. Second is a description of the category in which the selected practice resides. Third is a description of the practice and its application to ITSM.

## 6.1 FOSTERING COMMITMENT



Fostering commitment includes the informal practices aimed at supporting the goal of delivering on existing commitments. These practices aim to motivate employees to get involved, to reinforce the importance of the change for the organization and to support and encourage those who are already making efforts to embed the change into the organization.

### 6.1.1 Signal

This category consists of practices that serve to identify the change(s) as a priority for the organization. An organization's actions send strong messages regarding its position on the change(s) to its employees. This category of practices includes actions or gestures that serve to communicate the importance of the change(s) to employees in informal ways.

These practices include committing publically, modelling, allocating resources, self-regulating, adhering, accommodating, work-life balance and investing in the community.

#### 6.1.1.1 *Invest In The Community*

Contribute to the community and encourage and enable employees to do the same

- Permit employees to take time off to attend special interest groups, local interest groups etc.
- Permit employees to take time off to help organise industry related events
- Support industry and community bodies.

Notes:

Organizations can build commitment to change(s) by demonstrating investment in the community or industry. Supporting industry or community bodies (related to the area of change) through allocation of resources or allowing employees to take time off to be involved send a clear message of commitment.

#### **Application to ITSM:**

Invest in the community by allowing employees to attend local interest groups and special interest groups related to ITSM. The itSMF (IT service management Forum) has chapters worldwide that run annual conferences as well as seminars and user group forums for those involved in ITSM.

Encourage employees to become members of forums such as itSMF and to get involved with organising events etc. Provide company time and resources for employees to engage in these activities.

Organizations can also sponsor ITSM industry events and send a clear message of commitment and support.

Organizations can also demonstrate their commitment to ITSM by sharing information such as presentations from industry experts outside the organization through social media channels.

#### 6.1.2 **Reinforce**



The practices in this category emphasise the importance of the change(s). Organizations must constantly reinforce the message in various ways to embed it in the hearts and minds of all employees. Regular checkpoints and reviews should be performed to keep the change(s) on the organizational agenda and to maintain momentum. The practices include informing, repeating and following up.

#### 6.1.2.1 *Follow-Up*

Ensure that the change tasks are completed through monitoring, reviewing and enquiring on the status of the key tasks

- Periodically evaluate the results of the change(s)
- Obtain employee feedback to understand their level of engagement
- Review change performance results at regular status update meetings.



Notes:

As an organization evolves, it is crucial to continually assess and monitor its progress to ensure it is heading in the right direction and that employees are completing the tasks and goals assigned.

This can be achieved through feedback loops, surveys, status updates, performance dashboards and committing managers to regular communication on their change deliverables.

**Application to ITSM:**

All ITSM initiatives should be monitored, reviewed and evaluated on a regular basis to ensure that progress is being made as expected.

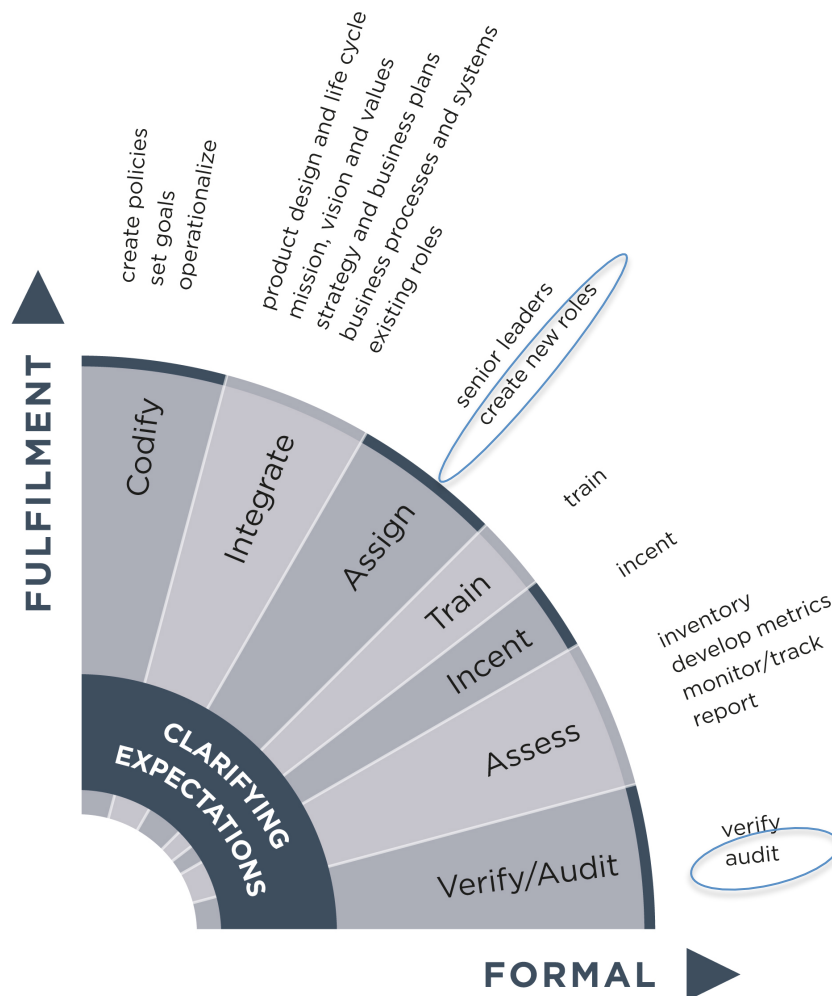
Regular checkpoints should be in place throughout the ITSM change journey so that progress as well as employee understanding and support can be checked. This allows timely action to be taken as soon as deviation from expected results is detected. It is important to follow-up on the progress of the ITSM change to determine whether the rate of the change needs to be slowed down in order to ensure tasks are completed and employees are engaged or whether it can be speeded up.

It is like sailing a boat. You don't just determine your current location, set a compass direction and set sail in the hope that you will reach your intended destination after a period of time. You regularly check the compass, your current location and your progress on the journey to determine whether corrective action is needed to get the boat back on course. When there is deviation from expectation, you tack and get back on track with the intent to follow-up again in a short period of time.

In addition to checking on progress, the goals and objectives of the ITSM initiatives should also be reviewed to ensure that they are still aligned with the overall organizational strategy. There should be a check that the goals and objectives are still relevant and have kept in line with the direction of the organization and ITSM as a whole.

Where there is misalignment, corrective action should be taken to revise the goals and objectives of the change initiative to bring them back in line or a decision be made to discontinue the initiative so that resources can be better allocated elsewhere.

## 6.2 CLARIFYING EXPECTATIONS



While the informal practices contained within quadrant 'Fostering Commitment' will help build buy-in for the change(s), it is also important to send clear signals about how things should be done by capturing evolving behaviours and procedures in a more structured way. The focus here is on the formal practices that support the implementation of current change initiatives.

There are seven categories of practices. The first three categories of practice (codifying, integrating and assigning) provide the foundation for embedding the change into an organization's culture. They take the informal elements and integrating them into the core of the organization's strategies and processes.

The next set of practices (training and incenting) focus on formally equipping and encouraging employees via training and incentives.

The last group of practices (assessing and verifying/auditing) concentrates on determining where an organization is, measuring and tracking, and reporting on its progress as well as checking to ensure that it is on track to meet goals.

## 6.2.1 Assign Responsibility

Practices in this category involve allocating responsibility for the change to new or existing roles within the organization, including roles at the most senior levels. This may include the creation of new roles within organizations to address new responsibilities, including managing compliance to the change, dealing with stakeholders (including employees), tracking and reporting on progress, and leading change innovation.

Organizations can both create new roles and hold senior leaders and board members accountable for change deliverables. By assigning responsibility for the change to specific roles at senior levels, the organization signals that the change is a priority.

### 6.2.1.1 Create New Roles

Expand existing roles or develop new roles within the organization to capture essential responsibilities relating to the change

- Assign full-time personnel to lead the change programme(s)
- Create new roles to deliver on the change agenda
- Create a department with prime responsibility for the change (e.g. sustainability office, change management office, health and safety office, service management office)
- Expand or upgrade existing roles to incorporate the change
- Give these roles direct exposure to senior leadership
- Ensure these roles do not operate in isolation, but collaborate and integrate with the rest of the organization (e.g. through cross-functional teams).

Notes:

The creation of specific roles in relation to the area of change has a legitimising effect within the organization. Failure to create roles and assign responsibility will stand in the way of effective implementation of change programmes.

Assigning responsibility for the area of the change to roles within the organization, and prioritising the importance of those roles, demonstrates management commitment to the change to employees and other stakeholders.

### Application to ITSM:

There are a number of key roles within ITSM that should be created and assigned to individuals within the organization to ensure the successful implementation of ITSM changes.

These include the process owner, service owner and continual service improvement manager.

Consideration should also be given to the establishment of the service management office (SMO) consisting of the roles of process owners, service owners and the CSI manager. The establishment of a SMO that reports directly to senior level management demonstrates the organizations commitment to ITSM and the changes that it brings to the organization.

The SMO is the ultimate point of accountability for ITSM across the entire service lifecycle and drives the design, implementation, management and ongoing

improvement of service management processes in support of delivered business services.

Bringing together the 'accountable' roles such as process owners and service owners facilitates the establishment of effective and efficient process interfaces and integration. It provides a central point of contact and conduit for communication across the organization. The existence of a SMO makes it easier to apply common approaches to the design, implementation, management and ongoing improvement of processes and services.

The SMO should establish a network of ITSM champions across the organization both within IT and in the business and at all levels including senior management level. The SMO can ensure that a common and consistent message is delivered so that there is a good understanding across the organization of ITSM and the role it has to play.

### 6.2.2 Verify / Audit



This category involves more formal evaluations than the previous category (Assessing). Practices in this category examine an organization's systems, processes, projects or products for reliability, accuracy, adherence to standards and compliance.

An audit will scrutinise operations, systems and procedures to check whether they meet external or internal standards. This not only drives improvement but also signals an organization's readiness and commitment to meeting its obligations. An additional layer of scrutiny is gained from third-party verification.

#### 6.2.2.1 Audit

Organizational members examine their own systems, processes, projects or products for reliability, accuracy, adherence to standards and compliance

- Conduct regular internal audits of systems and processes
- Create audit committees or departments
- Ensure that the internal audit function reports to, or is represented at, a senior level within the organization
- Draw upon existing expertise e.g. financial or health and safety auditing.

Notes:

In order to move from a reactive state to a proactive state, an organization must set its own high standards for systems, processes, projects or products, and regularly check for adherence. Organizations can draw upon expertise within their organization for financial auditing or health and safety auditing to develop a robust system of sustainability audits.

Auditing is important for achieving continuous improvement and as a process of assurance, to demonstrate the quality of performance against stated objectives.

Internal audits can reinforce procedures, reveal lapses and spark new momentum for ensuring change performance.

Embedding a change into the organizational culture can be assisted by the regular auditing of the organization's change programmes by trained internal staff from a department dedicated to measuring performance effectiveness making use of

validated tools adapted from related industries.

### **Application to ITSM:**

It is important that compliance with, and conformance to, ITSM processes is audited on a regular basis.

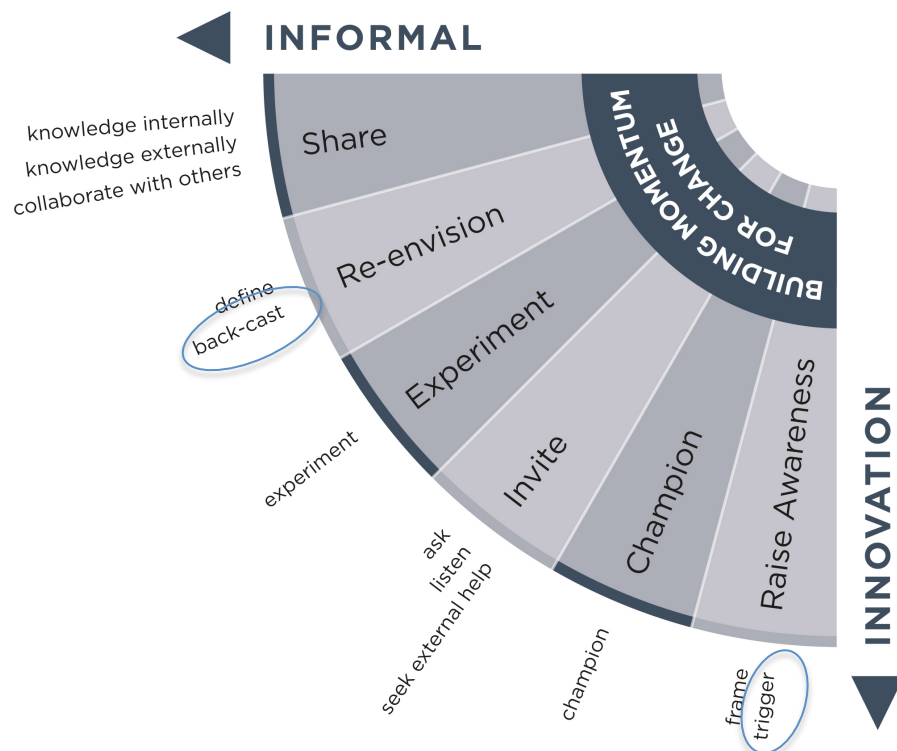
Organizations can conduct internal audits on their ITSM policy, processes and procedures to determine to what extent ITSM is achieving its objectives, conforms to specified requirements, complies with regulatory requirements such as ISO/IEC 20000 or ISO9001 and meets any contractual requirements such as those contained in service level agreements (SLAs), operational level agreements (OLAs) and underpinning contracts. It also serves to demonstrate the effectiveness and efficiency of the ITSM organization and the existence of internal controls.

Basically the internal audit checks that ITSM is doing what it says it is doing.

An internal audit can be conducted at any time but could be triggered by a regulatory authority requiring evidence that an internal audit has been conducted; a previous audit indicating that a follow-up audit was required; a change in ITSM policy or procedures, ITSM technologies or tools, or ITSM organizational/management structure; or the need for an audit to be conducted based on the defined and agreed frequency.

If the organization has an internal audit department then it is recommended that those resources be used to conduct the ITSM audit. Otherwise provide some key ITSM personnel with internal audit training so that they can conduct the audits themselves. Make sure that there is not a reliance on one or two people. Try and spread the load by having a number of people trained in the conduct of internal audits.

## 6.3 BUILDING MOMENTUM FOR CHANGE



This quadrant contains several informal practices that aim to develop the new ideas and new practices needed to bring an organization closer to its long-term goals. The practices discussed are intended to effect change by inspiring and reassuring employees to be bold and fearless as they experiment, try new things and build on each other's ideas. The categories of practices discussed include awareness raising, championing, inviting, experimenting, re-envisioning and sharing.

### 6.3.1.1 Trigger

Create events that help set things in motion and disrupt the status quo

- Disrupt people's patterns by pointing to the negative implications of current behaviours
- Make use of visual displays to demonstrate the implications of current behaviours
- Provide opportunities for employees to experience the implications of currently undesired behaviour first hand
- Provide opportunities for employees to experience the implications of currently desired behaviour first hand.

Notes:

Sometimes it is necessary to disrupt the status quo to generate an understanding of the need for change. Triggering is about demonstrating the risks of current thought patterns and building awareness of the benefits of alternatives.

Consider bringing visibility to current issues by disrupting existing patterns or by creating visual displays.

This could be the relocation of waste bins from offices to a central location to raise visibility of sustainability issues. It could be a visual display of the impact a lack of business continuity could have.

Raise awareness among the senior leadership, by providing opportunities for them to experience the negative effects of current operations first hand.

Placing employees in face-to-face situations with those who will be most affected by their work can powerfully impact attitudes.

Triggering episodes are important for altering perceptions about the implications of current practices. Interventions 'mid-action' can provide employees with tangible evidence that different behaviours are required to achieve superior outcomes.

The use of experiential learning tools such as simulations are good techniques to raise awareness, experience the impact of good and bad practices, and provide employees with opportunities to work face-to-face with those most impacted by their processes, practices, products etc.

### **Application to ITSM:**

Many organizations use experiential learning techniques such as ITSM simulations to demonstrate the implications of undesired behaviour and desired behaviour.

Experiential learning can be defined as the process of practically engaging learners in an authentic experience that has benefits and consequences. Experiential learning can generate an understanding of the need for change by creating that "a-ha" moment when everything suddenly makes sense and the need for change becomes clear. It allows the participants to make mistakes in a safe environment and it can break down silos encouraging cross-departmental collaboration and communication.

The ITSM simulations use gaming dynamics to mirror the real world interaction between IT and the business across the ITSM lifecycle. They demonstrate the need for IT and business alignment through the setting of shared goals and accountabilities.

Generally, there are a variety of hands-on sessions, where participants experience issues that affect service management and corporate profitability in a simulated organization.

The first round is often chaotic due to a lack of policy, processes and procedures. There is little collaboration and communication between the various roles and this often results in the organization moving backwards instead of forwards. Customer satisfaction is down and the organization is losing money.

As the game progresses, the participants experience how process improvements that span the organization can help achieve performance targets and corporate profitability.

By the final round, a high level of maturity has been reached and the organization is in a far better situation than it was at the end of the first round.

The participants are now able to take away the lessons learnt from the simulation and apply them back in the workplace. There will be an understanding of the impact of their role and activities on the achievement of the organizational goals and objective

as well as the ITSM goals and objectives.

There will be a far better understanding of the implications of undesired behaviour and the implications of desired behaviour.

### 6.3.2 Re-Envision

Periodically, organizations should step back from everyday operational issues and think holistically and prospectively. Re-envisioning involves determining what the change means to the organization and how this impacts on the next steps toward embedding the change. It also involves developing a new conception of how the organization could or should operate, or imagining an ideal future state for the organization and allowing this vision to drive current actions. The practices covered here are defining and back-casting.

#### 6.3.2.1 Back-Cast

Envision a different future and identify the actions required in order to reach it

- Imagine a desired future
- Work backwards from the future vision to determine the necessary steps to get there
- Set distinct milestones to help construct the path to the future

Notes:

Back-casting is useful practice to ensure an alignment between what the organization is doing now and where it ultimately wants to be. It is about building a logical set of stepping-stones from the future back to the present.

Ask the big questions about where the organization should be in 10 to 20 years and start taking the necessary steps to get there. Look beyond current products and think about the value offered to customers.

Use a reverse-engineering approach to develop a vision—start with the ideal and then work backwards. Imagine several alternate future states and then use them to engage stakeholders in developing the paths to achieving them. This allows the design of a future state that is informed by the past but is not an extension of it.

Back-casting allows employees in to ensure they build innovation into all aspects of their work as they move forward. For example, each year employees can be asked to consider the organization, its practices and its culture, and to indicate changes that are needed to be made to close the gap between where the organization is and where employees want it to be.

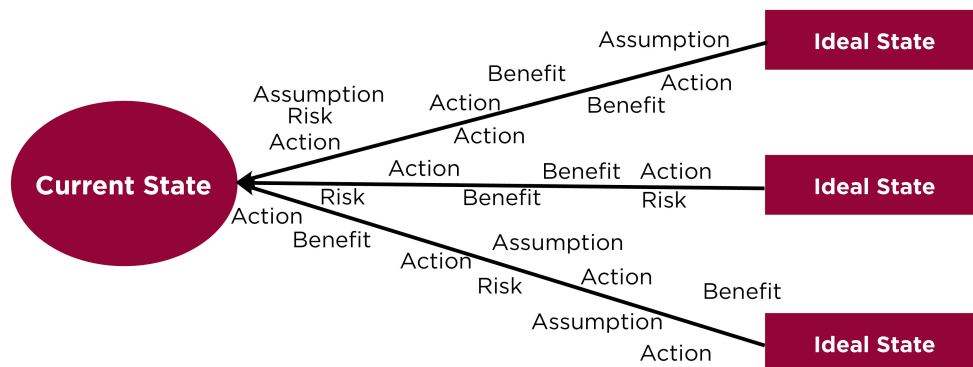
#### Application to ITSM:

It is useful for ITSM to take time out from day-to-day operational issues and imagine a desired future for ITSM. This allows a check to be made that current change initiatives are aligned with where ITSM ultimately wants to be. It is also good to develop a vision for ITSM and then work backwards. Engage all the stakeholders in determining the steps that are needed to achieve the vision.

Back-casting can take place on an annual basis. The broad steps to carry out back-casting are as follows.



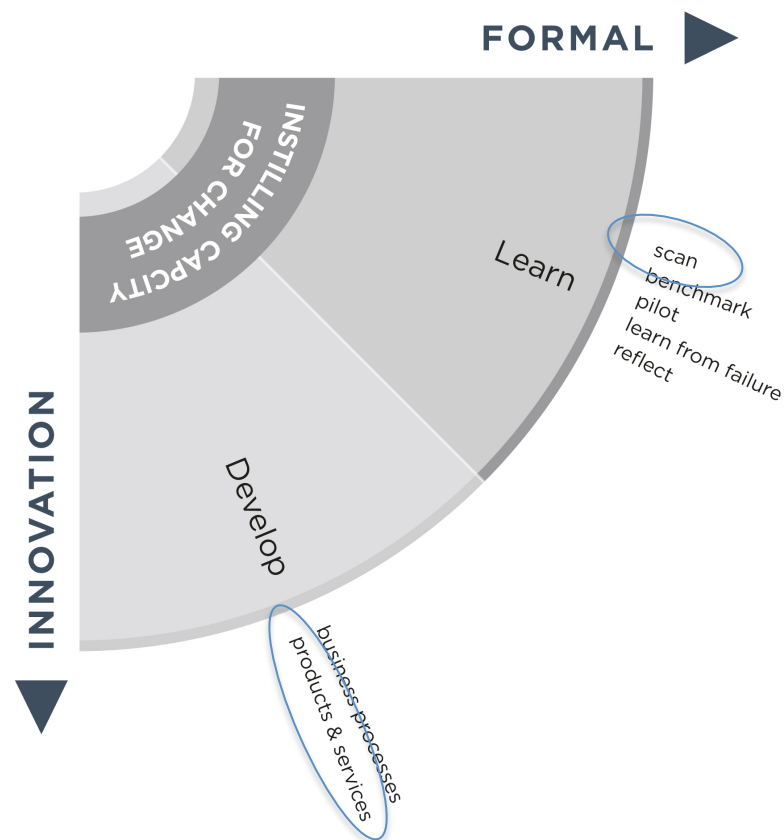
- Obtain an experienced facilitator who can run an effective and efficient back-cast session. This will be critical to the success of the session.
- Find a location where there is a large wall or large table on which you can place a large number of sticky notes. Sticky notes of various colours and sizes will be required.
- Invite ITSM employees and stakeholders to the back-casting session. This is often easier if it is a physical meeting but if this is not possible utilise collaboration channels such as videoconferencing etc.
- The group needs to determine how far into the future the group is going to look e.g. five years, 10 years, 15 years etc.
- The facilitator will have established a set of questions to be used in the session including questions about the time frame, current state, future ideal states, actions, indicators, risks and opportunities.
- The group should identify the current state of ITSM and the future ideal states of ITSM. This may include the current IT and business perception of ITSM. One or more possible (and successful) future states should be defined. These should not be constrained by current product, services, processes, technologies etc. The facilitator should encourage 'blue-sky' thinking.
- Each future state for ITSM should be considered and the group then work backwards to identify the actions, assumptions, risks, benefits and other indicators that could lead to these future states. These are all captured on the various sized and coloured sticky notes.



- The outcomes should be captured and shared with stakeholders who were unable to attend the session. Their feedback should be incorporated.
- The results of the session should be captured. Use methods such as charts, maps, stories, action lists, photographs of the sticky-notes etc.
- The results of the session should then be used in strategic planning sessions for ITSM.

The exercise should be repeated on a regular basis e.g. annually, and aligned with the strategic planning cycle for ITSM.

## 6.4 INSTILLING CAPACITY FOR CHANGE



In the fourth quadrant of the framework, the practices are aimed at innovation. The practices in this quadrant take a formal approach towards building a culture that supports change and innovation.

The two categories of practices in this section can help embed continual and proactive knowledge-building by institutionalising learning in the organization (learning) and provide a foundation for future sustainability initiatives by developing formal support mechanisms for change (developing).

### 6.4.1 Learn

The practices in this category focus on creating processes and mechanisms to gather knowledge or skills related to the area of change. The practices discussed here include scanning, benchmarking, conducting pilot projects, learning from failure and reflecting.

#### 6.4.1.1 Scan

Make use of systems or processes to perceive and recognise external information

- Attend industry conferences
- Join a user group where members share information and best practices
- Observe competitors activity

- Scan multiple sources habitually
- Develop many diverse internal and external knowledge and opportunity networks
- Research stakeholder needs and values
- Scan for changes in legislation and upcoming regulatory requirements
- Use focus groups and surveys to garner customer and employee opinions
- Subscribe to newsletters and periodicals
- Join online discussion forums
- Scan social media channels for information e.g. Twitter, Facebook, LinkedIn etc.

Notes:

In a rapidly changing environment, organizations must be constantly and proactively looking for opportunities and threats. Scanning entails continually looking out for opportunities. Scanning also involves researching all available sources for the latest information and expert opinions and having a finger on the pulse of a changing landscape.

Organizations should encourage employees to keep themselves up to date by accessing online information, reading books, talking with experts to identify ways in which the organization can change.

Successful champions scan their environment, collecting information from industry conferences, consultants and competitors.

Habitually searching for new information needs to become culturally embedded in the organization so that it moves from being an individual capability to an organizational one.

The organization can routinely ask its stakeholders their opinions about its values and planned activities, which then allows it to adjust and adapt if required.

Leading organizations balance their internal and external focus. They build and maintain extensive links beyond their sector or industry to keep up to date with the latest practices and new developments.

**Application to ITSM:**

There is a wealth of sources available to ITSM professionals to identify opportunities and threats, and to keep abreast of developments in the ITSM industry.

The key is to make the search for information a habitual one.

Sources include (but are not limited to):

- User forums such as itSMF – their websites (all chapters), conferences, seminars, webinars, local interest groups and special interest groups
- Industry publications such as the itSMF publication At Your Service as well as bulletins and newsletters published by local chapters of itSMF
- Websites and publications of competitors and other organizations
- Websites and publications from ITSM professional bodies such as consultancy and training organizations
- Industry analysts, and research and advisory organizations such as Gartner, Forrester, Ovum and IDC
- Groups on social networking sites such as LinkedIn and Facebook – search for groups using keywords such as ITSM and ITIL

- Social media channels such as Twitter
- ITSM podcasts
- Technology news press at a local, national and international level
- ITSM books such as those published in the itSMF library.

Organizations should encourage employees to scan these and other sources regularly and share information that is uncovered. Organizations need to provide employees with the time to scan and read on a regular basis as well as the tools to enable the sharing of information across the organization. Use collaboration tools such as SharePoint, Box, Google sites/docs, Alfresco etc.

Changes and additions to websites, groups, blogs etc. as well as new issues of publications can be notified by RSS (really simple syndication) feeds or email alerts so that updates are not missed.

## 6.4.2 Develop

This category looks at practices that create or implement new mechanisms to support future initiatives. These practices include putting in place new and innovative systems and procedures (internal) and also products and services (external) as a foundation for future initiatives.

### 6.4.2.1 *Develop New Products and Services*

Create new products or services that realise the organizations commitment to change

- Develop new products and services that align with the organizational values.

Notes:

In the quadrant on clarifying expectations, the integration of the change to existing products and services across the entire lifecycle was discussed.

This practice is concerned with the organization's development of entirely new products and services to signal their commitment to change and their ability to stay relevant in the future.

When an organization develops new products and services that are in line with its espoused values, this can build employee pride and confidence in the organization's mission and its leaders. It can send a strong message that the organization has set new priorities.

#### **Application to ITSM:**

ITSM should seek to develop new products and services that are aligned with organizational values. This could include exceptional customer service and an increased responsiveness to customer issues related to IT.

Therefore, ITSM could look to social media as a source of new products and services. A new service could be the service desk monitoring social media channels such as Twitter to identify and respond to customer issues before they have even been reported to the service desk.

A new service could be the provision of updates to customers via social media using channels such as Facebook or Twitter that not only can get the updates out quicker and to a wider audience but also closer to the customer e.g. directly to the mobile phone.

A new product and service could be the introduction of a service catalogue that would signal commitment to changes in the area of business empowerment, self-help, improved fulfilment processes etc.

New services such as these demonstrate ITSM's support of organizational values such as exceptional customer service and quality in service delivery, while signalling a commitment to change and the desire to stay relevant in the future.

## 7 CONCLUSION

This paper has introduced the framework resulting from the NBS research and provided examples of how the practices within the framework can be applied to ITSM.

The framework can be used for all types of changes – strategic, tactical, and operational – and of all size and complexity. This paper, and the book, focuses on the use of the framework within the context of ITSM but it can be applied to changes in any part of the organization.

Use the framework as part of a PDCA cycle for continual service improvement. Ensure that the selection of practices from each quadrant provides a balanced yet diverse portfolio. The framework should become an integral part of any change leader's toolkit and referenced on a regular basis.

If this paper has been of interest, I encourage you to take a look at the original research at [www.nbs.net](http://www.nbs.net). For further guidance on the application of the framework to ITSM, grab a copy of the book available from your local itSMF bookstore or from TSO at <http://www.tsoshop.co.uk>.

***'Balanced Diversity – A Portfolio Approach to Organizational Change' is a part of the itSMF International Library and published by TSO (The Stationery Office).***