Managing Change in Organizations
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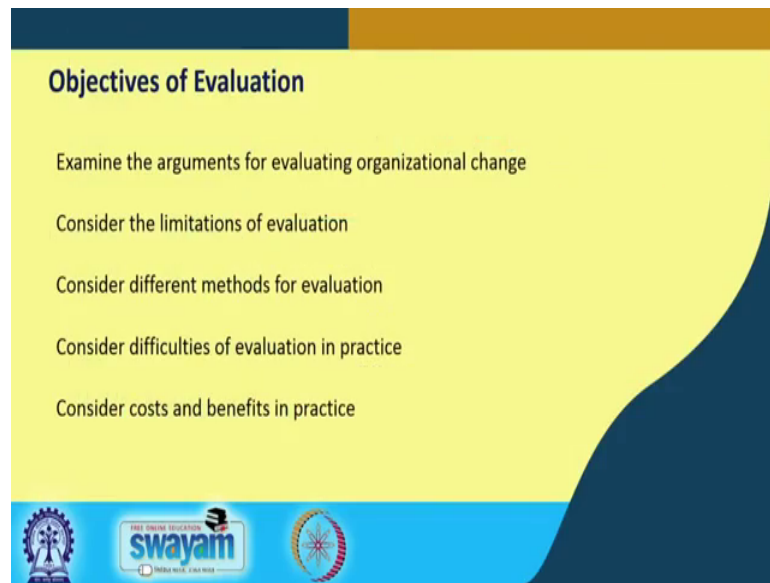**Indian Institute of Technology, Kharagpur**

Lecture - 30
Evaluating Change

So, in this lecture we are going to talk about how we are going to evaluate whether the change has been successfully implemented and whether the intended outcome of the change has been received or not. So, basically in this lecture we are going to measure the progress of the change both in qualitative and quantitative terms and see that how we can measure the outcome of the change.

See it is very important to ensure that any change initiative that has taken place have been implemented successfully and become a part of the organisation. So, you know you need to ensure that whether it is giving the desired result for which it has been initiated or not. For example, if you think that you have gone for a change in the technology to ensure that your productivity level goes up the efficiency level is high.

So, whether this productivity and efficiency has really increased or not and if the productivity and efficiency has really increased significantly and you find that a whether it is cost effective or not. Then only you can ensure that the change is successfully implemented it has become a part of the organization and it is giving intended outcome for the organization. So, with this preamble we are starting discussing about.

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Objectives of Evaluation

Examine the arguments for evaluating organizational change

Consider the limitations of evaluation

Consider different methods for evaluation

Consider difficulties of evaluation in practice

Consider costs and benefits in practice

How we are going to for evaluating the change? So, what is the basic objective right. So, basically here we are going to examine the arguments that why we need to go for evaluating any kind of organizational change right. We also need to consider limitations of the evaluation see; every time it is not possible for you to evaluate change in monitory terms.

Because sometimes you find that there is a qualitative change that has been introduced right. When it comes to performance then you can easily measure the level of performance that has been achieved after the change. And you can see whether they significant improvement in all or there or not. But say for example, you are able to bring about a change in the recruitment process right.

So, this recruitment process might result in getting good candidates for the organization. But how do ensure and evaluate that yes this kind of change has brought in these kind of result in more quantitative terms that is not possible right. And then you also need to look at the different kind of evaluation that happens. When you are talking about evaluation and the different kind of evaluation you can see that there could be different kind of evaluation.

There could be evaluations which could be subjective in nature that could be evaluations which are more objective in their approach right. That is what we have been talking about qualitative and quantitative evaluation. Just like outcomes which could be

qualitative are quantitative even evaluation could be qualitative and quantitative right. For example, if you remember when you are going to look at the outcome of a any changes effort we try to start with see whether this change has been successfully implemented or not.

So, you use certain parameters to ensure that whether the change is successfully implemented or not. So, at each level of the change stage if you look at total eight stages or any other model of frameworks that we have used to go for a change. So, then you need to see that at each stage if at each at each stage of change whether you have gone for intended result or not.

And at the end of it whether this change has resulted in something that is worthwhile which is going to wildwood by the people. And the organisation and it is bringing the intended outcome right. So, you have to see that what are the different frame works that could be used for evaluation whether you are going to evaluate it in terms of RY right that ok.

In terms of cost benefit analysis you can say that with the how much money is spent on this kind of change and what is the outcome? Especially those changes where you are going to invest lot of money ok. For example, if you want to go for technological changes ok. And when you try to by a new technology then it would require lot of costs. And then you also calculate the benefits that this technologies going to bring.

So, once technology is successfully installed in the organization is and this starts working then you see that what kind of results are coming out. So, you go for more objective evaluation right. In some cases you also go for some kind of subjective evaluations you go for observations right. Whether thinks are working in the way it has been intended. Then you also need to see that what are the difficulties in evaluations right.

Sometimes it is not possible to go for observation sometimes it is not possible to get the results in time. So, there could be lot of difficulties when you go for evaluating any kind of change system. And finally, any kind of change initiative must be considered are evaluated in terms of the cost. And benefit because any kind of change initiative or any kind of change that is carried out in the organization involves or incurred certain costs. And then any kind of change management that is initiated the assumption is that it is going to provide you some likely benefits in the future.

So, of maybe after sometime ones the change gets install it say consolidated then it is try to start measuring whether this change is giving go to result or not. So, there could be lot of issues related to the evaluation. In terms of why want to go what are the limitations what kind of methods and framework that you use? What kind of issues and problems will come up in evaluation? And whether it is possible to evaluate in it in term of cost benefit or not?

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So, moving this why we go for evaluation, but why it is important see it is very important because at least that will we go give you some idea whether the change is successfully implemented or not right. What kind of learning has taken place. So, there could be lot of learning experiences whether who had adopted professionally all kind of practices which we are required for managing the change effectively or not ok.

And whether you have been able to develop some best practices because of the change effort that you have been able to bring out ok. It means in terms of systems practices improvements right and whether it is going to influence the policy of the organization. And what kind of attitude they would have when they go for then any kind of change initiative next time right. Not only related to the change, but related to other issues also.

And these are the valued reasons you can say that is why organizations go for evaluating ok. As we discussed it is very important to identify; How you are going to evaluate?

What kind of practices you are adopting? And you want to ensure that whether all standard norms and practices have been adopted while evaluating the change or not?

Second part learning what kind of learning has happened ok? What kind of experience is people have related to the change? And how these learning outcomes could be used or the experience can be used by the people next time when they go for these kind of initiatives ok? And then what kind of development has happened? We here we talk about the evidence based practice evidence based practice that; yes, empirically you have data and evidence to suggest that see we have gone for this kind of change.

And this is the result this is the outcome that we have achieved out of it. So, this is what we call evidence based result where you are able to show the evidence of any kind of change initiative right. And finally, whether it is going to influence the polices relate to the HR or any kind of thing for which you want to go for a change. So, there are lot of reason you can find out because of which we go for evaluating the change in the organization.

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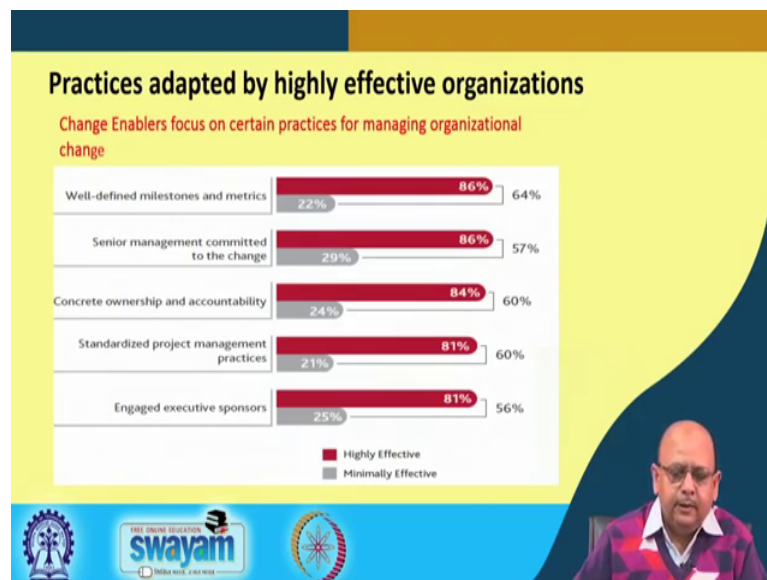
Now, moving further these are some of the data that we have related to change right. So, this data suggest basically what are the practices which is adopted by highly effective organizations right. So, what are the focus of the change enablers ok? And how they go for managing any kind of organizational change? Now if you look at this these are some of the say parameters that have been used for evaluating the change right.

Here you can see two kind of lines basically in this graph. One is red and black red shows the effectiveness and are it is highly effective and if it is black it shows or great shows minimal effective. Now, if you look at what are the practices and which change managers focus upon the one most important is the milestones and metrics. What kind of metrics and milestones are used to measure the effectiveness of the change programme right.

So, if organisations have well defined milestones the different at different stages of change they identify ok. What is to be achieved at the different levels and they also have certain metrics. Metrics which gives you hard data right to in 80 percent 86 percent case it has been found that those organizations who have been highly effective and has gone for a change they have well defined milestones and metrics.

Similarly if you look at another important factor that is we have been talking about climate strong climate for implementing change. So, that is equally important and that gives rise to a senior management commitment to the change whether senior managers are really committed to the change because that could be one of the parameters for successful change.

If there is a high commitment level from the senior managers who are going to support these kind of initiatives then there is a possibility of success right and the data source that yes at least 86 percent cases it is it was there right. Then ownership and accountability, that is another important this accountability of the change leaders and the change managers on the persons who are responsible.

Yes, that is equally important that shows 80 percent and 24 percent then standardized project management practices what kind of systems and practices you adopt on the way of the change right. So, project management systems practices are used because you know that any kind of change in executives considered as a project. And when you considered as a project then you are also follow certain practices that; whether you have identified?

What are the various stages the various milestones? What are the intended outcome at each of these stage stages? What that lines that you have to achieve intended target at each of these stages. So, if you follow a standard project management practices then it is

good and those organisations who have adopted it have been found to be highly successful.

Then a sponsors yes you will also need resources. And for that you need to ensure that the management is ready to sponsor. Because if it is you are not having enough resources then any kind of change is in initiative cannot be implemented successfully and that is also very important. Now, if you look at this you can find out the kind of practices which effective organizations you have enable change successfully adopt in the organizations.

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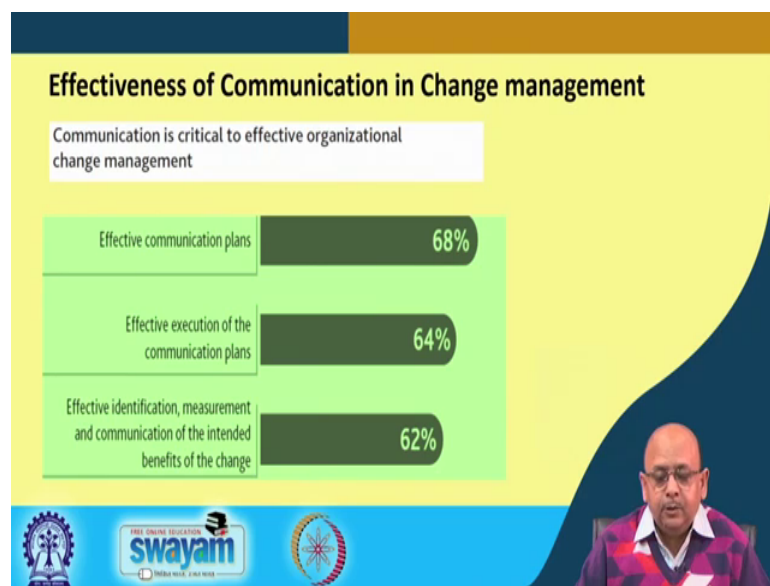
Moving further we have data to show about the role of communication the change if you remember in the past few lectures we have been emphasizing about the communication right. So, communication is very important. So, you also need to measure the role of communication.

So, if the communication is very critical to any kind of effective change management. Now the data suggests that yes effective communication plan is very important, then how this communication plans are being executed by the organization that is equally important 64 percent. And then how identify measure and see that is this the communication of the intended benefits of the change it means what kind of a strategies you adopt.

And how you communicate it means the skills of communication is equally important what you are going to communicate the benefits of the change. And if it is communicated well then it gives good results. So, in this context what I am trying to tell you that three things that we have discussed in the past related to the need for communication.

At each at each stage when you are going to communicate with certain outcomes right. What is your communication strategy right? Your what is the communication plan with different stakeholders or different stages depending about the requirement and need of the stakeholders?

And then your communication skills, all these become very important. So, communication should also be measured because that also contributes to the effectiveness of any change management program. And then you have to see what is the role of a communication in the change management effectiveness right.

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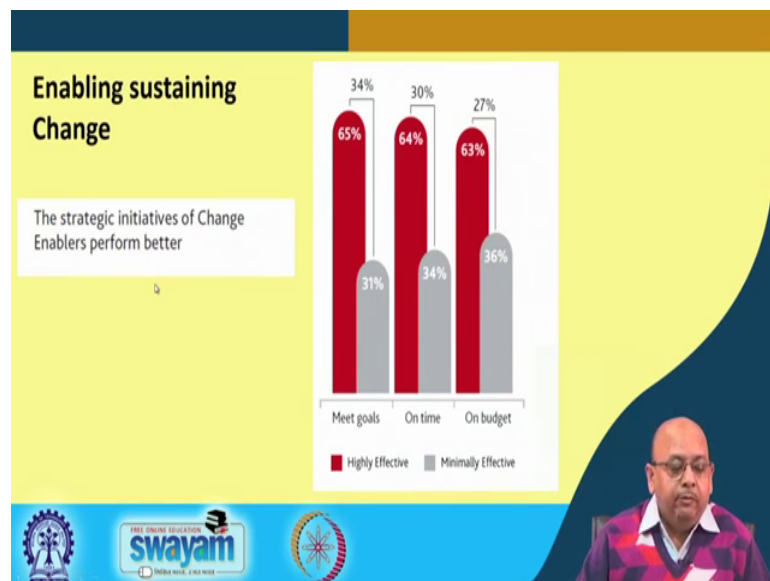
Moving further when we are talking about sustenance of the change. What happens? The sustenance made is measured on three dimensions that is whether the intended change has achieved it is goals and objectives or not. Whether it is it was achieved in time it means there is not extensions or deadlines of the projects. And whether the resources which was provided to meet these goals in deadlines on time where appropriate kind of or not.

Now, if you look at this you will find that those organisations where able to sustain change have been able to meet their goals at the at least 65 percent level. Similarly 64 percent organisations have been able to meet their change goes on time. It means there is no extension for the deadlines for the projects related to the any change management. For example, even you are going for commissioning a new technology the moment you think about it and.

And finally, when gets installed and starts working right. So, you see that deadline for this project and see whether it has been able to complete on time or not and then finally, the budget is very important right. So, all these three factors are very important. So, any kind of change initiative if you think that yes you need to go for ensuring that it is going to be sustainable and it is able to perform well. Then you need to ensure that it is able to omit it is goal it.

And that is one of the objectives of evaluating change whether the change intended outcome have been achieved or not. In terms of performance are behaviour whether it achieved in time or not. And the third one is whether you have been able to meet within the waste resources that if have been allocated for this particular project right.

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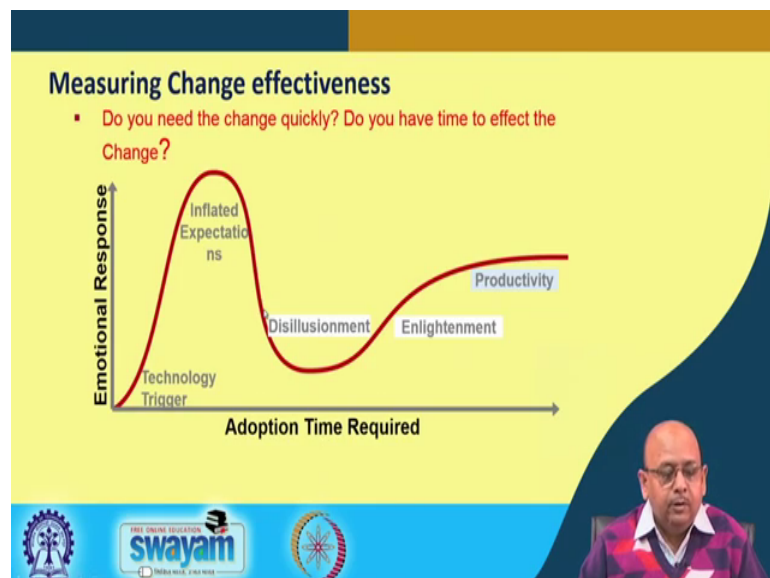
Moving further when you are going to measure the effectiveness of the change ok. Then you have to see that how much time is required right? As you know that when any kind of change starts because of there is a some kind of trigger. If you look at this curve you

can see what happens and at what level you reach the targets relate to the productivity right.

In the beginning you go for it because there is some trigger maybe external trigger and internal trigger say technology is trigger here there is an example. Then you think that how it is going to work. So, maybe your expectations gets inflated in the beginning. Then you try to make a balance and here in the process you get disillusion because you think that it is not working right.

It means you are not able to meet your targets and this disillusions is going to be there for some time. Because you know that you are not sure that is going to work or not whether that is going to effective or not. And then assuming that you get enlightened you seen that it oh it is good it is it has start working and then the performances there right.

So, it happens because initially you are not show the uncertain right. So, now if look at the emotional reaction. So, it is very high then these kind of things may have the once the emotions get settled then you can think about it ok. So, this what is the important here is managing the emotional reactions of the employees. So, that you are able to achieve your intended outcomes.

And then you also need to see that what is the time period that is required to ensure that the change is sustainable and it is starts giving results ok. So, do not be in a hurry if you are looking for a quick change it may not be good. So, make sure that there is a enough timeline and that is why in any kind of project management exercise. We also have deadlines for each and every stage to ensure that these deadlines are made with targets. So, that ultimately at the end of the project you are able to executed successfully right.

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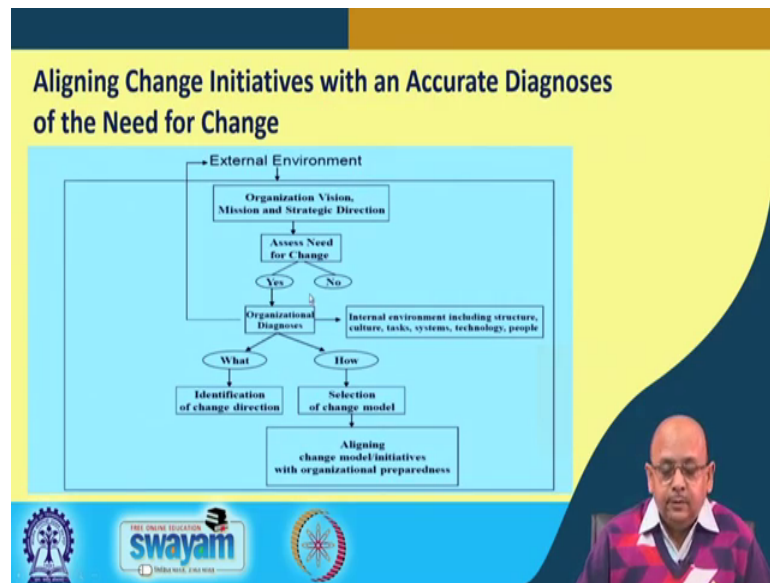
Moving further another important thing that is that need to be looked in to you. See we have already talked about these issues, but why we are discussing it here then you need to ensure that any kind of change initiative is a lined with the need for the change. It means you are thinking about the change, but it does not have a basis.

So, the first evaluation actually starts to ensure that the need for the change and the initiative that has taken place is matching with each other right. For example, if you have certain external triggers right. And you want to bring about a change which does not match with those external triggers I am an internal triggers. Then the kind of matching the alignment that is there should not be there.

For example, if you think that yes your performance is getting down because of the technology right. So, instead of bringing about an updated technology you go for restructuring the organization it is not going to help you. So, what I am trying to tell you that you need to ensure that your change initiatives is dependent upon the current correct diagnosis of the external environment. So, that you are able to correctly identify the need for the change.

Because this is the first stage where alignment is required if this alignment is not good whatever you do at later stage is not going to be very effective and successful all right. So, it is very important to ensure and that is how we start measuring the any kind of change success to ensure that whether there is an alignment between the need for the

change and initiative that have been take. Because any kind of change initiative must be based on the need that is required by the organization and this need is diagnose based upon the external environment

So, once you are able to diagnose the external environment able to identify your vision mission and strategies we have already talk about it and based on that you are going to access the need for the change. If you find that yes there is a need requirement for the change then go for it. If you think that depending upon the current organization environment internally and externally both you do not need to go for a change then do not go for it because any kind of change effort required resources right. And if you think that yes there is a need for change then go for it.

So, look at the internal and external environment external environment as well as internal environment. Including structure, culture, technology, people, all kind of things. And then you ask this question what and how. What will be the direction of the change what kind of change you want bring and how what kind of change frame work you want to use you have already talked about it. So, at each stage you needs to you can see and evaluate whether you have followed a proper framework for not only identifying the need for the change that whether the change are the change initiative which matching with the need for the change or not.

So, once you are able to correctly identify the change direction identify the framework. And then see whether it is matching or not whether a lining change models initiatives with preparedness with the organizations ready for this kind of thinks or not. And only then it is going to be successful. So, what I am trying to tell you here is that you need to ensure that change initiatives are in alignment with the need for change. And that is the first level of measurement to ensure that you are moving in the right direction.

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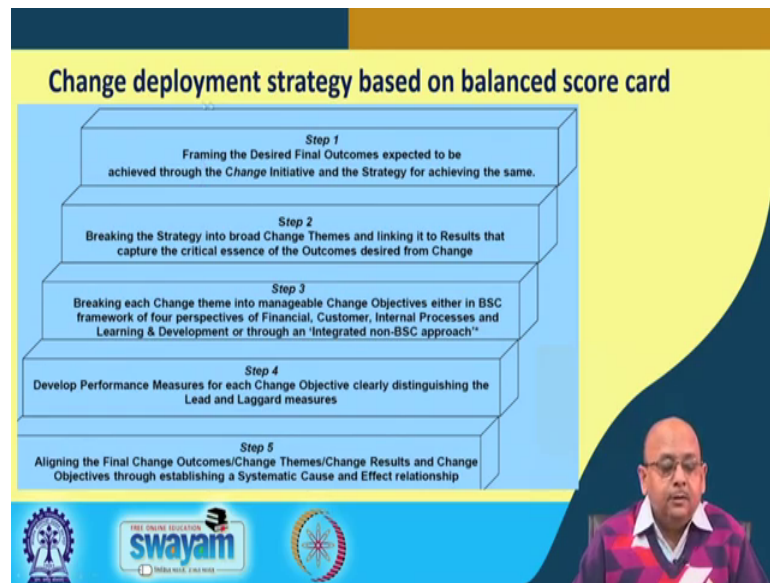
The second is your what is you are strategy for executing the change and implementing the change. You can adopt a balanced scored card approach weight at different level you can measure different kind of things to ensure whether the change is successful or not. At the first level you have decided about you final outcomes of the change right. And what is the strategy to achieve it?

Second stage what you do you develop your strategy for the change and link it with the results and see what are the critical essence of the outcomes that is desired from the change. Once you have done then break each change theme into a manageable change objectives either in a balanced scorecard framework that is you are going to measure of financial terms customer, internal processes and learning and development.

Because any kind of change management effort if it is measured using a balanced scorecard approach then each change theme has to be managed into this balance score framework. And balanced scorecard from work talk about four type of outcomes. That is what is the financial outcomes of the change effort? How it is going to effect the customer relationship? Then the next stage is how it is able to help you to improve the internal processes? And what kind of learning and development activities has happed because of this? What kind of experiences and learning has happed for the employees right?

You can do it separately as you can integrate it and non balances scorecard approach. But this non in score a non balanced scorecard approach is not good. Because you if you are measuring it separately for it then you can see that how it is related with all the change outcomes that you had expected. And then at the fourth stage you develop certain performance measure for each change objective. How much change has been there in the customer relationship on the improvement? The internal processes in terms of systems, and practices learning and development right.

So, that is how are able to measure the performance and see that whether you have been able to achieve it or you have been lagging behind right and finally, the change outcome that you have achieved and the change themes and the change results and the change the objectives. And see you can see the cause effect relationship. This is the need for the change we this is the diagnoses this is the need for the change this was the strategy this kind of change was implemented successfully this is the outcome.

So, you can show a linear relationship between everything starting with as intended outcomes to the change themes then change results and achieving the objectives. And see that which change result is an outcome of what. So, you are able to establish a cause effect relationship. And you can say that this change has resulted in this kind of things right. So, this could be another strategy where you are using a balanced scorecard framework to analyse and evaluate the change results.

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Then as I told you that what could be the criteria the parameters that used for measuring the success of a change program ok. That is meeting the goals and objectives of the change initiatives. And this could be in the following area. Because the focus of the change is these five sets of few things right because you want to bring about change in the people management systems you want to bring about a change in the structure the technology systems and processes are the strategies right.

So, since these are the focuses of the change and you have already talked about it in detail. So, if you want to bring about a changes in the people management system say performance management system are you want to move to an online recruitment system right. So, whether it has been successfully implemented or not a structure whether you what kind of structure you have now? What kind of structure you want intent to have? And what kind of benefits it is going to have?

So, whether the new structures has resulted in those benefits. So, can you establish a cause effect relationship or not come into the technology right. What is the impact of this new technology that you want to bring? And whether those intended benefits have been achieved out of this new technology in terms of efficiency and performance. So, you can measure the impact of technology in terms of certain productivity measures lack output input ratio.

See whether you are able to achieve a efficiency or not then systems and processes whether you want to bring about a change in the systems and processes and whether this change in the systems and processes also related again to the same parameters of productivity. And efficiency whether it has been got good results in terms of efficiency and productivity of the people and the organization.

And finally, the strategic change the strategic change are basically the results of the assessment of the environment because you try to assess the environment and based on that you try to develop are change your strategy. So, you are able to compete in the market. So, whether strategic changes that you have been able to bring in the organization what is the outcome; in terms of a change more markets being more competitive right?

So, whether you are competitive has increase or not? So, these kind of measures could be used to see whether these strategic changes have been successful or not? So, when you

are going to measure the success you are going to use these criteria for evaluating because to focus of the change is these things. So, you need to see whether this is the any kind of change that has happened in this is related to those performance criteria of effectiveness and productivity.

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So, when you are going to measure change effectiveness right. The basic idea is that whether it is able to add some value a increase the value of the organizational. And that is why if it is going to increase value then it is good at different stages. The first stage you are able to correctly diagnose and solution at the (Refer Slide Time: 28:36)? What is the change program? Whether you are able to clearly identify the problem? What is the root cause?

What kind of future state you have imagined? What is the clear picture of the future state? Whether you have a solution for this are not? It means your diagnosis and solution must be correct in terms of the assessment of the requirement of the change. Then you're planning and resourcing what is your project plan? What is the resources that you have? What kind of a skills are required right?

What kind of team you have with the rules and responsibility especially the change management thing right what kind of communication systems where using. So, all this is a part of planning and resourcing that is to be decided. So, the evaluation has can be at

this level next move it this level and third execution level. What is your execution plan right? What is the level a commitment the various stakeholders?

Are you monitoring the progress the monthly basis and see whether it is something is working or not right? And how you adjust and communicate the plan if it is required at the implement this stage? And finally, when it comes to realizing the end desired the future state those thing that is the high engagement in implementing the new approach. Do we see the evidence of new behaviours of the results whether the businesses consistently implemented the new processes?

Whether the evidence of progress or not? So, when you are going to evaluate change effectiveness basically you are going to measure them at four level. And finally, if it is there then you can say that yes, you have been able to create some kind of value for the organisation by bringing about the intended change. So, the first thing that we talked about that you can use the balanced scorecard approach.

A second thing that you can do qualitatively that at each stage of the change process you can see whether you are doing the right kind of things are not. And you have been doing right kind of things it mean that you are closer to achieving your intended outcomes. And that is how we are able to measure the change effectiveness right.

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So, what is the criteria of success for each of these stages. It means that we are able to create better strategic fit to you are you have the capacity or readiness for the change. Goal clarity and alignment to the strategic direction so this shows that this stage these are the indicators of the success. Then planning and resourcing stage responses your quality of the project plan accountabilities resources right.

And the third stage whether it is run in time scope within the budget are not then whether is the alignment with the strategic portfolio. People identity issues are there they support for direction. And finally, realization of the future state which include new behaviours new employee engagement improve improved quality, loyalty whatever it is reduced cost improve sales.

So, these are some of the benefits that you are going to achieve. So, this could be used as a criteria for measuring the success at each stage of the change program; which could be used successfully to ensure that the changes implemented successfully and it is providing intended results right.

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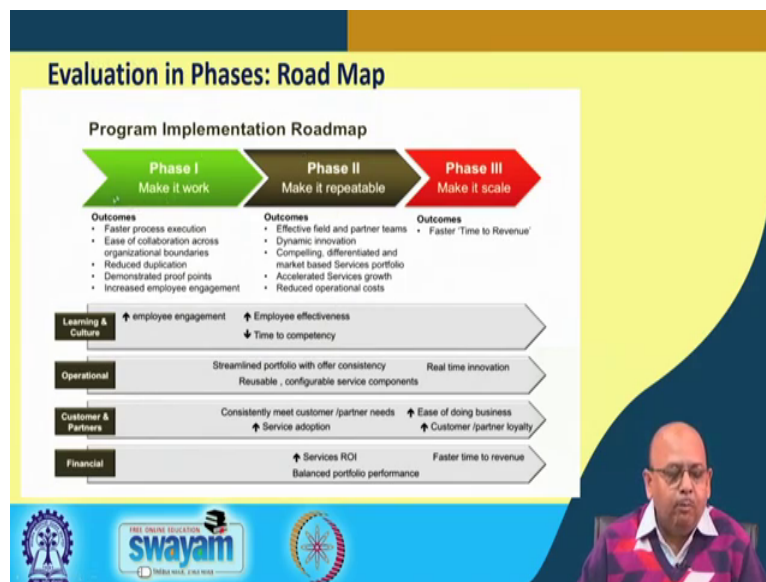
And this is the road map that we are going to talk about different stages. So, look at the first stage this is the outcome ok. So, these are the criteria using the balanced scorecard approach and at different phases ok. When you are going to implement it you need to ensure that whether these outcomes in terms of process execution collaboration right.

There is now duplications and there is a high employee engagement that is achieved [vocalized-noise.

At the next level operational level what actually happens. Because you need to ensure effectiveness and competency at this level that is the basic objective of improving the culture and learning. At the operational you need to see that is yes the streamline portfolio with which offer of consistency which is reusable right. Where you going for real time innovation the third is customers and partners, yes. Whether you have meeting the requirements are not and finally, financials look into the ROI though it is very not very easy to compute ROI.

Because you need to identify all the costs and benefit which is going to be there ok. So, if you look at this it could be done at the first phase you are going to measure something else second phase. See whether it could be repeated or not and whether it could it is a scalable or not whether it is could be expect to other parts of the organization or not right. So, this is how we go about evaluating. And see that any kind of change managing program is successfully implemented.

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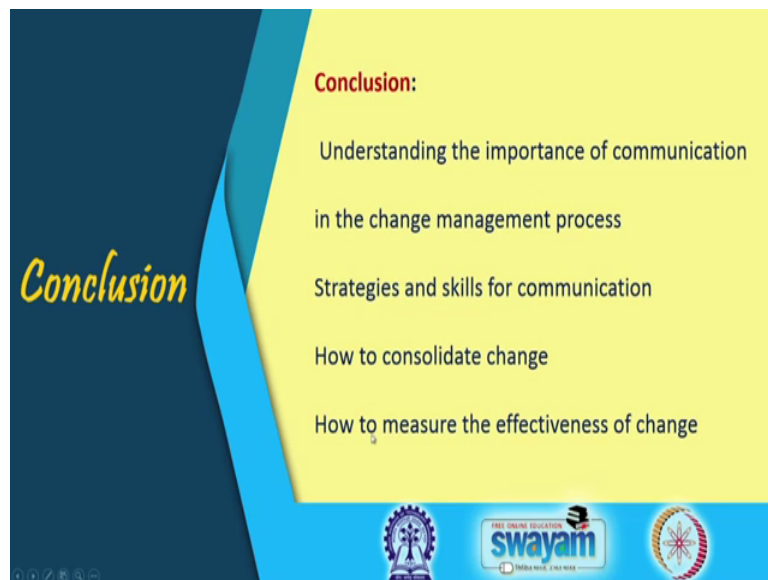
So, what we have discussed as a conclusion in this week we talked about the importance of communication in the change management process. We also talked about strategies and skills which is required for the communication and how to consolidate and sustain

change. And finally, we talked about how to measure the effectiveness of the change right.

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So, these are the books that we have followed which will be refer to by me so.

Thank you very much.