



*Engineering*  
*Organizational*  
*Change*

# Engineering Organizational Change

by Dutch Holland, Ph.D.



Yep, you got it! A hot new buzzword for the Change Game. First we talked about "Leading Change" — coming up with a vision of how the organization needs to look and play in the future, if it is to be successful. Then we talked about "Managing Change" — focusing on both running of the existing business, while changing elements of it to match the future vision. Both Leading Change and Managing Change are critical to get the kind of change needed. They are critical but not enough!!

**Engineering Change comes from a simple but often overlooked reality of organizations.** At their roots, organizations are like mechanical systems — with bits and pieces and moving parts that all have to work together to produce results. Unfortunately it has not been popular to refer to an organization as a machine for forty years! It's unfortunate because the use of the machine model is exactly what's needed to get leaders and managers the change results they need!

So get out your hard-hat, your safety glasses, your wrenches, saws, hammers and welding machine — and let's Engineer Change!

**Engineering Change is all about physically altering the nuts and bolts of the organization to make the envisioned change turn into reality.** Yes, you still have to have a clear vision of where you want to go and an intensive program to communicate that vision to all parties concerned. And you still have to have a plan for action for "what to do every Monday morning" during the implementation. But Engineering Change is all about altering three critical categories of "stuff" that make up the organization — its Process(es)/Procedures, Plant/Equipment/Tools (PET), and Performance Management Systems (translated to mean its "contracts" with its employees).



**The way any organization works at a given point in time is the direct and inescapable result of the configuration of the firm's processes, its PET, and its Performance Systems.** Just as in a mechanical system, the way the organization operates cannot change without a change in its key components. So organization change requires physical alteration of these three components or there will be no change at all. Calling these needed alterations "requirements" allows us to see change as a true engineering challenge!

**Engineering Change has two fundamental elements: (1) identifying requirements for alterations of the components and (2) physically changing those components.** Implementation planning is first and foremost a case of deciding exactly and precisely what alterations will be required in each of the three

components (and of course, a single component has many pieces that may need to be impacted for the change to occur — for example, rarely does an organizational change require alteration of a single work process or a single piece of equipment). Then one must decide how the required alterations are to be made. The physical change piece is all about making the required alterations and ensuring that they were done and done right. Knowing where we are in a change implementation is a matter of auditing the status of required alterations — and dealing with the reality of what we find:



- Either processes have been altered or they have not! New procedures to allow people to follow those processes have been written and distributed or they have not! The old processes and their supporting procedures have been dismantled/destroyed or they have not!
- Either the new PET is on board and working or it is not! Either the guidelines for operating the new PET have been written and distributed or they have not. Either the old PET and its operating instructions have been removed and/or disabled or they have not!
- And now for the hard one, either the Performance contract for each and every manager and employee impacted by the change has been altered and negotiated with them or it has not! Either each and every manager and employee has been trained on the new processes and new PET or they have not!

And so on!!

***Engineering Change is the critical piece for many companies that are having trouble with change.*** We see it all the time — a company is struggling with making the changes they have so carefully designed. And the struggle, in our experience, rarely comes about because managers don't know about leading and managing change, about participation and communication, and patience and understanding. The struggle comes with the failure to recognize that the change they desire is not optional — it is required for survival in the market place — and that change requires physical alterations to the organization's moving parts!! The final step in organizational change is the unglamorous, detail oriented, hard work of Engineering!!