

**Jim Wright**

**ASSESSING CHANGE READINESS BEFORE EMBARKING  
ON A COMPLEX REFORM AGENDA**

JEL classification: P11.

**Джим Райт**

**ОЦІНКА ГОТОВНОСТІ ДО ЗМІН НАПЕРЕДОДНІ РЕАЛІЗАЦІЇ  
КОМПЛЕКСНОЇ ПРОГРАМИ РЕФОРМ**

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**ОЦЕНКА ГОТОВНОСТИ К ПЕРЕМЕНАМ НАКАНУНЕ  
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**Preparing for State Financial System Reforms**

*The Government of Ukraine faces an ambitious reform agenda to modernize the State financial system to align with the requirements of the Association Agreement between Ukraine and the European Union. The success of these reforms will be the key to European integration and will underpin beneficial social and economic reforms in Ukraine.*

*Reforming the State financial system will require a series of complex and concurrent initiatives. It will, therefore, be critical to leverage best practices in management to ensure that the implementation of these reforms achieves a full realization of targeted benefits and outcomes and that the efforts are successful and sustainable over time. To this end, the Ukraine Finance Academy has executed a Memorandum of Understanding to collaborate with Evans Incorporated (Evans), a US-based company that specializes in training and services focused on organizational change management.*

*Evans has supported public sector management reforms in partnership with the International Monetary Fund and the World Bank Group during their 22-year history. The company has also been a major proponent of the critical need for effective change management on complex and multifaceted public financial management and governance reforms. One of the goals of this collaboration with Evans is to work together to train state employees in Ukraine on change management best practices. This training will provide these individuals with the tools and techniques they need to successfully lead and motivate desired behavior around the adoption of complex public financial system reform agendas, themselves.*

**The role of Change Management on transformative initiatives**

*Effective change management is critical for any transformative initiative. Even a perfect technical solution requires the right behaviors surrounding new policies, procedures, processes, and systems in order to fully realize targeted outcomes. Change management allows for the right balance between a technical solution and a behavioral solution, which is critical for a transformative program's success. Effective change management also*

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*ensures that any new solutions being implemented will be sustainable and endure over time to deliver lasting benefits.*

*Evans Incorporated recently hosted a virtual webinar, in collaboration with the Ukraine Finance Academy, on the importance of assessing change readiness before embarking on a complex transformative reform. Change Readiness Assessments (CRAs) allow for the identification of critical change risks that may endanger the possible success of a change solution. These risks may be sources of organizational resistance, a traditional focus of the change management discipline; however, these risks could also be related to program risks, in terms of the conditions, characteristics, and drivers for change. There may also be risks related to an inadequate knowledge base to support a change, insufficient resources for the change to be successful, or inadequate institutional support structures.*

*There are many means for eliciting change risks. Individuals can use face-to-face meetings, conduct focus groups, or conduct surveys to engage a large portion of a workforce impacted by a change. Analyzing and identifying the change risks up front can serve to inform program design and ensure a higher probability of success for a reform agenda. It can also serve as the basis for developing a change strategy and the specific tactics to manage and monitor known change risks.*

*Once risks are identified and a change strategy is developed in order to monitor and manage change risks over time, it is also important to monitor behavior and behavioral risks related to a change. This can be done through tracking behavioral metrics that indicate the degree to which new work practices or systems are adopted and utilized and how proficient a workforce is in employing new ways of working. It is also critical for identifying emergent change risks that may accrue over time. New risks or changes to known or existing risks may require shifts in tactics, in the form of targeted change interventions, to overcome such risks.*

### **Next steps in preparing for change to the Ukraine financial system**

*As Ukraine prepares to undertake these critical reform initiatives, Evans Incorporated looks forward to continuing to provide training and coaching related to developing Ukraine Government capacity to manage and lead effective change. This collaboration will be critical for ensuring that Ukraine executives and middle managers have the necessary tools and techniques at their disposal to drive and motivate desired behaviors associated with State financial system reforms. It will also go a long way in ensuring that the investments and significant efforts to implement these reforms are successful and long-lasting. This will ultimately be critical for achieving a lasting social and economic impact to the benefit of all citizens of Ukraine.*