WHITEPAPER: ELEVATING ORGANIZATIONAL CHANGE MANAGEMENT IN PHARMA AND LIFE SCIENCES

Insights from the Pistoia Alliance Change Management Community activities funded in 2025 by Kalleid, Novo Nordisk and Eli Lilly

EXECUTIVE SUMMARY

The Change Management Community is committed to strengthening the use of change management best practices to drive successful digital transformation. Through a series of collaborative brainstorming and knowledge-sharing sessions, participating pharma and life sciences organizations surfaced shared challenges at both the project (micro) and enterprise (macro) levels.

In five structured Macro Workstream sessions—focused on facing resistance, shifting mindsets, and optimizing incentives—the group examined the underlying reasons why organizational change efforts frequently stall and identified the key factors that enable change management to achieve sustainable impact.

Our research revealed a consistent theme: **pharma organizations recognize the value of Organizational Change Management (OCM) but struggle to operationalize it with consistency, clarity, and cultural alignment.**

Survey data from 7 pharmaceutical companies and two technology partners show that critical best practices—early user readiness planning, accountability, timely documentation updates, leadership advocacy—are missed by many organizations. Only 41% operate a centralized OCM function, while the remainder distribute responsibilities across departments, project teams, or external consultants, resulting in fragmented approaches.

Failures in change management stem primarily from haphazard stakeholder engagement, unclear accountability, and insufficient attention to human factors. Conversely, successful transformations integrate early stakeholder input, visible leadership support, clear business value articulation, and cross-functional collaboration between project management and OCM.

This whitepaper synthesizes discussion themes, case studies, and practical insights into a roadmap for strengthening OCM capabilities tailored to the unique demands of pharma and life sciences.

1.THE CHANGE MANAGEMENT GAP IN PHARMA

Pharma and life sciences organizations face multidimensional pressures—scientific complexity, regulatory controls, digital modernization, and global operational dependencies. While each of these domains is constantly shifting in focus and scope, organizations often treat readiness for change is often treated as an event rather than a practice. Change management practitioners frequently lament the lack of budget, visibility and prioritization of their activities across digital transformation initiatives.

1.1 Organizational Comfort and Preparedness

Participants representing nine companies rated their organizations' comfort with OCM at moderate levels, signaling awareness but not mastery. Key best practices were rated as "unmet" by most respondents, especially:

- User readiness planned before rollout
- Clear accountability for OCM
- Timely update of operational documents supporting implementation
- Project or department leadership advocating for OCM

This demonstrates structural and behavioral gaps that impede sustained adoption.

1.2 Fragmented Governance Models

Only 41% operate a centralized OCM function, while the remainder distribute responsibilities across departments, project teams, or external consultants, resulting in fragmented approaches.

- 41% centralized change departments
- 28% department-owned change
- 22% project-team-owned change
- 9% external consultants

Each framework carries trade-offs—centralization provides standardization, but risks disconnect from operations, while decentralized models offer agility but dilute standards and accountability.

1.3 Common Enablers and Barriers to OCM Success

Having observed both success and failure in digital transformation was an experience shared by all participants, across organizations. There was broad agreement on proven enablers and barriers to organizational readiness that led to successes and failures they witnessed.

ENABLERS	BARRIERS
Clear vision and well-coordinated teams	Poorly designed or ill-fitting product
Combined top-down and bottom-up suppor	Lack of end-user support
Clearly articulated business value and "why"	Aggressive timeline with OCM de-scoped
Active feedback loop with users feeling heard	Lack of accountability or unclear roles
Transparency and trust with stakeholders	Ineffective training and documentation

2. DIAGNOSING RESISTANCE: BEYOND PROCESSES TO HUMAN DYNAMICS

Across organizations, resistance is seldom irrational—it reflects unmet needs, untested assumptions, and unseen emotional impact.

2.1 Why Resistance Emerges

Participants described a pattern of **"change theater"**: heavy communication, numerous meetings, and polished rollout plan without open-minded assessment of and response to end-user needs. The result: new processes or systems introduced without the requisite behavioral or mindset shifts. This manifests as:

- Overcommunication without **meaningful dialogue**
- Lack of psychological safety to express concerns
- Absence of visible leadership sponsorship
- Competing priorities and information overwhelm creating change fatigue
- Emotional defiance or passive disengagement ("silent quitting")

2.2 Rigid Mindsets Across Stakeholder Groups

Rigid mindsets present differently by role:

ROLE	DRIVERS OF RIGIDITY	IMPLICATIONS
Senior Leadership	Limited exposure to operational realities; incentives tied to timelines/cost	Underestimation of change impact
Project Teams	Caught between leadership and users; KPIs not aligned to engagement	Perceive OCM activities as a barrier to project completion
End Users	Fear of disruption, loss of competence, unclear "why"	Personalization of change, disengagement or resistance

A key conclusion: **Incentives must be aligned with desired behaviors for each stakeholder persona**, not just delivery metrics.

3. INCENTIVES: HELPFUL BUT NOT A SUBSTITUTE FOR REAL CHANGE WORK

Session 3 explored “carrot and stick” strategies for eliciting desired behaviors. While incentives can jump-start engagement, **they cannot compensate for unaddressed root causes** such as unclear roles, poor UX design, or absent leadership. They also often have unintended consequences, which may hinder long term OCM goals.

3.1 Common "Carrot" Incentives

Public recognition (awards, internal spotlights, peer acknowledgment)
Tangible rewards (points, bonuses, flexible work options)
Career development opportunities (visibility with leadership, special projects)

3.2 Common ”Stick” Incentives

- Negative performance evaluation
- Compliance dashboards used for “naming and shaming”
- Restricting opportunities based on adoption metrics

Participants agreed: **Human connection—feeling heard, supported, and valued—was more impactful than any incentive scheme**. Ultimately, people want to feel like they have agency in the workplace and a sense of empowerment for their careers, which comes from trust and transparency.

4. GOVERNANCE AND OPERATING MODEL CONSIDERATIONS

Session 4 evaluated three dominant OCM models in digital transformation and identified strengths and challenges of each:

4.1 Centralized OCM

Strengths: standardized methods, senior visibility, measurement consistency
Risks: slower response, cultural distance, limited project context

4.2 Project-Led OCM

Strengths: speed, proximity to stakeholders, embeddedness in delivery Risks: limited expertise, misaligned incentives (time/cost vs. engagement quality)

4.3 External Consultants

Strengths: deep expertise, neutral perspective, ability to recruit for specific scientific knowledge
Risks: high cost, onboarding overhead, trust challenges, fragmented ownership

No single model is ideal. A hybrid approach—centralized standards with embedded project change leads—was viewed as most effective.

5. RECOMMENDATIONS FOR PHARMA AND LIFE SCIENCES ORGANIZATIONS

Based on aggregated insights, organizations can significantly improve OCM effectiveness through the following actions:

5.1 Shift from "Rollout" to "Co-Creation"

- Incorporate stakeholder perceptions and feedback early on in planning, so that communication is bidirectional
- Create space for sensemaking, not just information dissemination

5.2 Redefine Leadership's Role

- Require visible sponsorship, not passive endorsement, with clear "whys" that speak to each stakeholder persona
- Equip leaders to address emotional and cultural impacts, not just process impacts

5.3 Build Change Literacy Across the Organization

- Train the organization in foundational OCM principles
- Develop "change ambassadors" across scientific and operational functions

5.4 Align Incentives with Engagement, Not Speed

- Reward demonstration of behaviors that facilitate adoption (feedback sharing, peer mentoring)
- Avoid incentivizing speed at the expense of sustainable change and user support

5.5 Establish a Hybrid Governance Model

- Centralize OCM standards, training, and frameworks with access to senior leadership
- Embed change practitioners across project teams for context-specific execution
- Build broad institutional capacity for change flexibility through awareness-raising and open communication sessions

6. CONCLUSION

The core insight from this research initiative is simple but powerful: **while change management is often cited as essential to digital transformation efforts, most organizations still lack the governance and resources to do it well**. Effective change management in pharma requires alignment between human behavior, organizational governance, and leadership incentives.

Regardless of company size, culture, or maturity, every organization in the study faced similar challenges—rigid mindsets, unclear accountability, inconsistent practices, and chronic underinvestment in user readiness.

However, the sessions also revealed optimism. Shared experiences offered validation of change manager experience while also revealing that structural obstacles can in fact be overcome. With the right blend of early engagement, leadership alignment, targeted incentives, and governance discipline, pharma organizations can create environments where change is not forced—but welcomed, understood, and sustained.

Building on the strong progress made in 2025, the Change Management Community will continue to explore the evolving landscape of change management practices, carrying this work forward into 2026 with the same commitment and curiosity