Toolkit Page 13   Change Study Results

What's the difference between those changes in organizations that get results and those that don't? We knew that only about one-third of all major changes succeeded. But we wanted to know why? What sets apart the successful changes? What could we learn from those who do it well?

We conducted an effective change survey in 2003 (at least I am fairly certain that was the year). Close to two hundred and fifty people responded. They told us about major changes in their organizations ranging from mergers to new software systems to reorganizations. The responses came from a range of types and sizes of organizations, although a many were from large organizations. Most of the projects they described were budgeted between $100K and a few million dollars. People could rate the change on a one to five scale, from "a stunning success" down to "made matters significantly worse."

We based the survey on our assumption that four things needed to be addressed during a major change:

- Recognizing that **making a strong case for change** was a critical component
- Leaders kicked off the change **(get started)** by getting people involved and setting a clear vision
- Leaders took certain actions and put systems in place that would help **sustain commitment** to the change over the long term
- When problems did occur, the leaders of the change used effective methods to get **back on track.**

See *Beyond the Wall of Resistance* (2010) for a description of these four stages of change.

We wanted to see if the data supported our own experience with clients. Our assumptions proved to be correct. These four areas seem to be of fundamental importance to those leading major changes.

Making a Case

The most important element was the ability to make a compelling case for change. In 96 percent of the changes rated a "stunning successes," many stakeholders saw a compelling need for the change. (And in a 73 percent of those highly successful changes, most stakeholders saw a compelling need.) Stakeholders understood:

- Current financial situation of the organization
- Economic or market forces facing the organization

- Economic or market forces facing their industry
- Why this change was critical
- How the challenges facing the organization will affect them directly

There was a direct link between making a case and success. The fewer the number who saw a need for a change, the greater the failure rate. In 22 percent of those changes that "made matters significantly worse," only some stakeholders saw a need for a change. And in 65 percent of those failed changes people thought it was a waste of time and money.

The organizations that did make a strong case for change did well in all of the other categories: getting started, keeping the change alive, and getting back on track. This suggests that they take change management seriously and attend to all aspects of the change from planning through to completion. They never seem to drop the ball.

There was one significant missed opportunity. Even in the organizations where most saw a compelling need for a change, only 31 percent answered, "the overall culture was such that most people generally understood the challenges and opportunities facing them." (61 percent answered "somewhat".) According to James Collins (Good to Great, 2002), organizations that create a culture where people understand the business challenges seldom need to worry about getting alignment, motivation, or even managing change While there is more to success than just making a case, when people do "get it" less time is wasted getting ready for each new initiative.

Getting Started

Those leading successful changes addressed each of the following:

Almost all stakeholders were represented in the planning process

- Everybody was kept informed as plans developed
- Various points of view were encouraged
- A clear vision (outcome) was created
- Sound tactical plans were developed
- Timelines and measures of success were created

Clear vision topped the list. In 73 percent of the "stunning successes," there was a clear vision created for this initiative. In poorly run changes, those in which the organization was "significantly worse off," a clear vision was in place 11 percent of the time. The bulleted items listed above were usually absent in changes that failed.

We were surprised by the lack of importance leaders placed on developing contingency plans during the getting started phase. Only 28 percent of the successful changes developed contingency plans. We expected that score to be much higher.

Keeping the Change Alive

Keeping the change alive to a major change is difficult. It often takes months, even years, to get from planning to results. During that time priorities can shift, attention may drift, and leadership can change. In the successful changes, we found that each of the following were in place throughout the life of the project.

- Strong leadership
- Everyone understood his/her role in the change
- Sufficient resources were made available to support planning and implementation
- Clear metrics (measures of success) used throughout
- People felt ownership in the process
- People felt ownership in the outcome
- People were recognized for meeting goals at every major milestone.

In those changes that "made matters significantly worse," zero percent attended to any of those items to a "significant degree." Most scored all items low, except for strong leadership. 33 percent rated it "not at all," 11 percent gave it a "2," 33 percent said "somewhat," and 22 percent gave it a "4." And, as mentioned zero scored it a "5."

Getting Back on Track

Of those who rated their changes a "stunning success," 44 percent said that they didn't need to worry about getting things back on track. This suggests that by attending to the other three areas, the likelihood of problems - especially resistance to change - decreases significantly.

However, in those instances where the successful changes did need to attend to the threat of the initiative derailing, a high percentage said that they:

- Brought people together to explore the real reasons why the change was faltering
- Leaders listened to people who were resisting and tried to incorporate their concerns
- Leaders treated those who opposed this change with respect
- 40 percent used contingency plans developed during the planning stages

We were surprised that only 8 percent of the leaders were willing to admit that their actions (or perhaps their reputation) was having a negative impact on this change. (Although in the most extreme failures none of the leaders admitted mistakes.)

Failed changes consistently failed at attending to the bulleted items listed above.

Putting the Survey to Work

There is a big gap between what leaders know and what they actually do. In our work with clients, we find that a majority of executives and managers know what it takes to lead change successfully. They often speak eloquently about ways to make a case, get started, sustain commitment, and get things back on track. In other words, we believe that many people leading changes in organizations would agree that the items listed in this survey need to be in place.

However, something gets in the way of putting that knowledge into practice. It's as if people disregard their own wisdom. Perhaps it is time pressure or a belief that there is always a better - and faster - way to get things done. We believe that having a way to think about change - a theory of change, if you will - can help leaders attend to those things that are most likely to lead to success. We invite you to use the four steps that we use with our own clients -- make a case for change, get started, sustain commitment, and get back on track - as a way to focus attention on the critical human part of major change.

Background: 245 people responded to this survey. They came from both large and small organizations with 37 percent people reporting on changes that took place in large organizations. The types of changes ranged from reorganizations (24 percent) to mergers (12 percent) to major new software systems (15 percent). Roles of of those who responded: consultants (27 percent), managers in charge of some aspect of the change (19 percent), employees involved with the change (19 percent), and leaders (26 percent). 32 percent of the changes were budgeted at over $1 million and 18 percent over $100K.