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Change Initiatives Can Succeed

By Marjorie Derven

Prove the value of change with effective tools and measurement to track progress, calibrate, and improve organizational change readiness.

Change management is the currency of successful organizations, yet it often fails. The ability to adapt and flourish requires understanding what promotes success and what factors doom change initiatives to fail. Measuring and proving the value of change promotes the future capacity to adapt, transform, and be agile.

Why change often doesn't succeed

There are a multitude of pitfalls and dangers inherent in change initiatives. Let's look at some of these further and how to address them.

Change fatigue. The turmoil and accelerating pace of change takes a toll. With continuous change and little time to reflect, it is a challenge to pause, examine lessons learned, and build the change muscle.

The inward-facing focus that inevitably occurs during major change initiatives, if not properly managed, can damage customer relationships. Employees become stressed and concerned about job security. Assuring employees that they will receive clear information and access to the tools they need will reduce their feelings of being out of control, a major driver for stress.

The myth of winning hearts and minds. Repeatedly cited as a key element of change management, focusing on heart and minds may backfire when the proposed changes will not benefit everyone. What makes change more challenging than ever today is that it is often undertaken when organizations are making record profits. Translating the need for change and restructuring is a harder sell during boom times compared to turnaround situations when transformation is clearly a matter of survival. In such cases, what becomes particularly important is:

- providing accountable, reliable information
- treating employees with respect
- sharing what is known, along with what is in progress, what will stay the same, and what will change
- defining the degree of autonomy or freedom employees have to shape the change
- encouraging experimentation and appropriate risk-taking to help engage employees so they stay focused on the big picture.

When possible, having a higher, inspiring purpose that employees can connect to will provide a powerful motivator for employees to support the change. Encouraging employees to create their own personal change plans can promote understanding and engagement, but this strategy is underutilized.

Interactive meetings with employees to capture and respond to their perspectives on change will foster greater traction—and capture potentially valuable ideas that you may otherwise miss.

Bypassing middle managers. Effective change management means reaching out—up, down, and across the organization, artfully combining one-to-many and one-on-one conversations. Too often, companies bypass middle managers, treating them as an afterthought in change communications. Consequently, middle managers are disempowered and unprepared to address employees' concerns and questions. In these circumstances, middle managers are more likely to convey negativity, instead of acting as a key conduit to align employees and have them focus on the future and commit to the new direction.

Executive leadership town halls—while great vehicles to ensure a company delivers a consistent message simultaneously to all—must be supplemented with personalized communications. Employees are frequently most influenced by individuals they know and trust, including managers, colleagues, and team members with whom they interact regularly.

Too much or too little change management. Change management is ineffective when delivered as an afterthought, not at all, or as an overwhelming blast of irrelevant standardized templates, tools, and messaging. Effective change management instead targets the right employees and other stakeholders at the right time, in the right way.

Companies should identify the right employees and stakeholders at the outset and over the course of the phases of change, including segmenting who will be affected most directly and others for whom the change is more indirect.

The right time involves planning a cadence of messaging that is meaningful, relevant, and accessible. While legal or regulatory requirements will dictate some issues related to timing, other change management communications can be delivered when needed most.

The right way requires assessing opportunities for shaping the change: Buy-in will be much higher when it is participative. Leaders typically send conflicting messages about how much employees and others must shape the change. When this degree of decision making and freedom is rescinded, feelings of disempowerment and even betrayal are common, with loss of trust as the casualty.

Measuring change: Assess, apply, improve, and learn for the future

Measuring and proving the value of a change initiative's success is important for multiple reasons. Without metrics, it is difficult to track, calibrate, and learn. Moreover, measuring creates accountability and signals to the organization that learning about the capability to change matters.

Companies should measure specific change initiatives as well as meta-level transformation capabilities. The owner of change management metrics varies, given that some companies have a formal transformation office; but talent development professionals can lead this if they are properly resourced.

By tracking the change effort, talent development professionals send the message that this is important, helping to foster fact-based thinking, develop the organization's problem-solving capacity, and increase the transformation muscle internally.

Companies should see measuring change effectiveness as a way to learn on both the organizational and individual level. Because not all large-scale change will be positive for every stakeholder, everyone can derive the key benefits of greater resilience and capacity to manage change. Learning agility is arguably the single most important capability required to be successful today and in the future.

Design a change measurement strategy by change phases

To frame the measurement strategy, consider the phases of change—the current, transition, and future states—to prove the value of change, deploying planned checkpoints during each.

Current state. Clearly define what the current state is, where the company wants to go, and why.

- Are the need for change and the root causes well defined?
- Is the change initiative adequately funded and resourced with clear executive sponsorship?
- Is the plan defined, with distinct milestones, roles, and accountabilities, but allows for agility and flexibility?
- What is the organizational capacity and readiness for change?

Transition state. Identify the key stakeholders, risk factors, and plans to address productivity dips and other challenges.

- Is it clear who the stakeholders are, how and when they will be affected, and what the change will mean in terms of new roles, responsibilities, and skills?
- Are there change journeys that identify the road map for employees?
- Are managers on board to help communicate the change?

- Are the necessary resources and support available during this critical time of uncertainty?

Future state. Determine the intended outcomes to achieve and at what cost.

- Was there a negative impact on productivity?
- How will the company sustain and reinforce the intended change?
- Has the company captured lessons learned that it can apply to the next change effort?

Surveys, observations, focus groups, and listening tours can be effective throughout these phases, and availability of digital tools provides opportunities to deliver real-time data, promote interactivity, and personalize messaging.

Multiple touchpoints are needed to assess the impact of the change, because reactions are likely to be highly fluid—data represent only a snapshot in time. Repeating certain core metrics that serve as a baseline promotes the ability to adjust and respond in a timely way as needed. However, you must balance this cadence of data collection with other factors, such as business interruption and feedback overload.

Measuring what matters

Essential to establishing the value of change and capturing insights is to keep change management metrics simple and actionable. From the outset, executives, key leaders, and project managers should have clarity regarding what measures will be meaningful. Measuring the degree to which the intended impact of the change has been accomplished is fundamental but not sufficient. As in most measurement initiatives, it is best to deploy multiple methodologies and perspectives to obtain a fuller picture of the truth (see the sidebar for more).

Further, be sure to address the challenges associated with measurement:

- measuring what is easy to capture versus what truly matters
- limited resources reduce organizational capacity and the appetite for measurement
- the speed of change conflicts with the need to pause, reflect, and understand what is working and what needs to be adjusted
- a lack of baseline measures makes it difficult to track progress.

Likewise, concerns about delivering bad news can be a barrier. When selecting high-priority, actionable areas, be sure to use a balanced scorecard, identify leading and lagging indicators and calibrate as needed, and capture quantitative and qualitative data (the reasons behind what worked and what didn't).

Keep the end in mind

To drive successful results, you need to define the intended outcomes and benefits of the change and provide appropriate resourcing, risk mitigation, and clear guardrails so that employees are clear about the requirements. Change can be uncomfortable and messy, so the line of sight into progress and short-term wins promotes improved alignment and results. Deploying a change model—such as Kotter's 8-Step Model; the Prosci approach; Bridges transition model; or Kurt Lewin's theory of unfreeze change and freeze—is also helpful to frame progress. With change as an essential leadership and organizational capability, capturing lessons learned is critical so that the company can more effectively execute successive waves of changes and prove scalability for the future.

The Metrics of Change

When measuring change, your categories of metrics can include both hard and soft metrics. Here are examples of each.

Hard metrics

- Achieving intended business results, such as growth, cost savings, performance, and productivity improvements
- Alignment with key strategic priorities
- Speed of execution in a cost-effective manner
- Progression of project milestones and execution
- Customer impact
- Level of employee engagement
- Attrition
- Risk mitigation
- Sustainability of the change

Soft metrics

- Engagement scores
- Adoption rates
- Learning capture and transfer—demonstration of new capabilities on an individual and organization level
- How well leaders are setting an example and clear vision
- Employee feedback about the change
- The development of change capacity

- Effectiveness of change communications—the right stakeholders, the right timing, the right way

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