Changing how we change

“It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change.”

LEON C MEGGINSON, PARAPHRASED FROM CHARLES DARWIN

The successful execution of high-impact change programmes – new business strategies, post-merger integrations, systems implementations and so on – has become increasingly crucial to the long-term competitiveness of organizations. Not surprisingly, managing change is now among the top priorities for most chief executive officers (CEOs). With great technological advancements, the critical issues ahead of us won’t be technological challenges but people issues.

In Asia, there is a saying that accurately captures the essence of change: ‘Out of great confusion comes bliss, certainty and progress’. Everyone who has managed organizational change initiatives has more than likely experienced confusion. Even when goals are clear, literally hundreds of obstacles can impede progress and not all of them are under a person’s control. There can be competing corporate priorities, conflicting deadlines, project scope creep, insufficient resources, inadequate staff training – and the list goes on.

But as the saying goes, bliss, certainty and progress can arise from such great confusion. How, though, does that happen? What are the steps that leaders need to take, particularly when they are implementing change initiatives involving hundreds, if not thousands, of people?

We have written this book to share insights from our research and practice with clients across the world. Our goal is to clear the confusion about organizational change; to find answers to the questions that trouble leaders, managers and staffers (and the consultants who assist them); and to provide a framework and system for helping organizations to navigate successfully through change. Our approach has been to collect data from hundreds
of thousands of ‘travellers’ – individuals who have undertaken all kinds of change journeys. We didn’t start by inventing another theory but chose to gain insights from the perceptions and reactions of real people undergoing real change. In our work, we have used sophisticated analytics to reveal the patterns of change in order to build maps and the navigation systems to help organizations to stay on track. We found that, across organizations, countries, cultures and different types of change, there is remarkable consistency and even predictability in how people and organizations navigate change. In this book, we show how these insights can significantly improve the success rates of organizational change initiatives at a time when such knowledge is most needed, as businesses head into an era of greater change and uncertainty.

Returning to the expression ‘Out of great confusion comes bliss, certainty and progress’, our research has found that ‘bliss’ in terms of organizational high performance is elusive. For groups, business units and organizations that make it to the top, only about one-third are able to remain there. Unfortunately, complacency and, ironically, the lack of further change taking place are the typical causes of the downfall. But what about ‘certainty’ in a rapidly changing world? The insights we found, and our framework for navigating change, provide certainty in terms of cause and effect. Through our research we have identified the 10 key drivers of performance in change initiatives. Excelling in each of those leads to success; gross deficiencies in any will result in mediocre outcomes or even failure. With respect to ‘progress’, our approach will help any organization to improve its performance in implementing change. From the start, our goal was not to study only those organizations that had successfully implemented change initiatives so that we could hold them up as exemplary models for others to emulate. Instead, our goal was to enable people to get better at managing change no matter what their current capability and, to that end, we have studied all kinds of change journeys – ‘the good, the bad and the ugly’. These included not only groups and organizations that have gone from average to excellent, but also those that have made the transition from poor to mediocre. We also looked at those initiatives that have gone from the highest levels of performance and crashed down to the worst – because, when it comes to change, studying failure reveals as much as studying success.

Lastly, returning to ‘confusion’, we uncovered some interesting insights from our research. Many leaders strive to clear up confusion as soon as possible. Indeed, great confusion is typically viewed as an enemy that must be vanquished quickly. But confusion can actually be a valuable part of managing
change. In this book, we show how leaders can completely transform people’s experiences, often taking negative emotions such as fear and frustration and turning them into positive outcomes. The trick is to view confusion as ‘work in progress’ – a time for people to synthesize at a deep emotional level the values of the old ways along with the new. In fact, well-managed confusion can be a stepping stone for building employee engagement. As such, it is a ‘free’ resource, waiting to be converted into positive energy and constructive activities.

In a broad sense, that is how progress is made. In the past, the conventional wisdom has been that confusion is bad and that successful change is an orderly, linear process that is entirely manageable. But organizations that have tried to apply such approaches have often failed, leaving many to believe that change is inherently messy, chaotic and perhaps even random. Our research, however, has found that the truth lies between those two contrary perspectives. Change is indeed a manageable process but it doesn’t always travel in a straight line. Change is a journey that more often than not takes circuitous routes, sometimes backtracking and often becoming stuck. That said, all change initiatives do tend to follow very predictable pathways, whether through actions that lead to failure or those that move people towards success. This book is about how organizations can implement change initiatives more effectively by skilfully navigating those predictable – but often hidden – pathways. In short, this book is about a paradigm shift in the way that organizations need to think about and manage change.

A shift in thinking is sorely needed. Organizations are now facing a fundamental challenge that will increasingly determine their ability to compete in the future. Change will go well beyond just discrete, individual projects and will instead require the enterprise-wide capability to manage continuous initiatives – a competence that must become fundamental to the way that organizations do business. Without that capability, executives will have difficulty managing the myriad geopolitical and macroeconomic risks, disruptive technologies, changes in customer behaviours and threats from new business models. In such a highly competitive, unpredictable environment, agility has become increasingly important, for example, to implement new business strategies to exploit market opportunities. Agility will enable executives to react quickly and efficiently to the ever-changing business landscape, where new threats can emerge with little warning, leaving many organizations scrambling to respond.
Our research: capturing the experiences of 750,000 travellers

Our research began with two simple questions that our clients often asked: ‘How can we tell if our change programme is on track to high performance? And if it’s not on track, what corrective actions should we take?’ From the start our goal has been to turn insight into action, and our approach to answering these questions was to collect data from as many people as possible who had undergone different change initiatives. As such, we studied 250 change programmes over a 15-year period, including acquisitions, mergers, restructurings, technology implementations, cost reductions, turnarounds, downsizings, culture changes, growth initiatives, new business models and so on. Some of these were organization-wide transformations; others were initiatives with specific objectives, such as reducing costs or improving customer service.

These change programmes took place at more than 150 organizations in 50 industries and 25 countries. Over one-quarter of these organizations were in the Fortune Global 500. In addition, both small- and medium-sized organizations were also well represented. About one-third of them earned at least US$15 billion in annual revenues; 45 per cent earned from $1 billion to $10 billion annually; and about one-fifth earned less than $1 billion annually.

At these organizations, we surveyed more than 750,000 employees, all of whom were involved in change programmes. These individuals were across hierarchical levels, from front-line staffers to all three major levels of leadership: corporate executives, business unit or divisional leaders, and team leaders. Our reason for doing this was simple: anyone travelling to another country for the first time would benefit greatly from the knowledge of others who have journeyed there before. Given that change is a journey, the most obvious way to gain valuable knowledge is to ask previous travellers about their change experiences. Did they have sufficient resources for the trip? Were their loads too heavy? Were they travelling too fast? How well did their leaders communicate? How clear were people’s roles? What did they feel? We asked questions such as these across many dimensions, including business performance and the success of the change programme.

To build our database, we surveyed those individuals at predefined intervals, such as every four to six months, or before and after a system went live. Altogether the information consisted of more than 30 million data points representing the continuous perceptions and observations about various change initiatives at those different organizations. The database is thus a
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A unique database of wisdom and insight

Our database is unique in several ways. First, it contains information about the conditions of a change initiative – the type, amount, pace and stage of change. Numerous past articles have stressed the speed, complexity and uncertainty of change, its acceleration as time goes by and the adaptability needed to deal with it, especially under the digital and social media revolution. One conventional wisdom is that a considerable amount of change over a relatively short span of time will be too disruptive for organizations to absorb, but is that really true? To date, very little evidence has been presented. Our database allows us to answer such questions about the amount, pace and type of change – questions that lie at the heart of organizational agility. As it turns out, we found that the optimal pace of change is slightly faster than what the participants consider ‘okay’ (on a scale of too slow, okay, and too fast), and in most organizations there is no evidence to suggest that the pace should be slowed down. In fact, the organizations that have the most change taking place at a fast pace are the ones that achieve the most benefits realization from change – and improve their performance the most across times of change.

Moreover, the database also includes information about the benefits achieved from an initiative as well as the business outcomes, such as improved customer service and better cost management. This is in addition to a number of other variables, such as the amount of resources available, the skills of those involved, the strength of leadership and so on. It is important to note that we have all that information in the same dataset, enabling us to examine and model how all those variables were interacting with each other – an analysis that required billions of calculations. To our knowledge, there is no equivalent organizational change database of this size and scale, incorporating so many different factors.

Thanks to that dataset, we could test our assumptions and see how they compared against the data. We confronted our own mental maps and models along the way, often being surprised that change did not occur in the way that we thought it could or should be happening. We could also determine the key factors that lead to success or failure, from the earliest stages of a
change journey to its completion, and from the most off-track results to the most desirable. Our goal, however, wasn’t merely to explain why some change initiatives succeeded while others failed. We also wanted to develop a system that could detect the early warning signs that an initiative was headed for trouble, so that people could take corrective actions before small issues had become large problems. After all, it is relatively easy to look back and say what should have been done. The real challenge in managing change is to know when and where action is needed while change is happening – or even before it happens.

Moving beyond myths

From the onset of our research, our philosophy has been to let the data do the talking. As such, we did not hesitate to discard old models and frameworks that simply failed to stack up against the accumulated wisdom of the hundreds of thousands of travellers we surveyed. In fact, our research has led to a number of insights that have helped to debunk many long-held myths that change leaders and practitioners have relied on – but that have not yielded results. Throughout this book, we discuss those insights and summarize them at the end of each chapter. Below, we list the top 12 takeaways from our research, some of which we have already mentioned. These insights deal with the nature, navigation and interventions of change.

What is the nature of organizational change?

Myth: change is a straightforward process that moves from A to B to C and so on, from the beginning of an initiative to its end.

Our research: change is a non-linear process with no beginning and no end.

A fundamental mistake that organizations make is to apply straight-line change models – project timetables, critical-path methods and so on – that tend to assume that change occurs in a linear, straightforward fashion. But change occurs through the actions of people, and our research has shown that initiatives rarely proceed in an organized, linear way. Many programmes take circuitous routes, sometimes backtracking and often becoming stuck for months, if not years. The problem here is that organizations have been using tools that are not built for the way that change actually occurs – in essence, people have had to adapt to their tools instead of the other way around. That said, change initiatives do tend to follow certain predictable pathways,
whether through actions that lead to failure or those that move groups towards success, and our maps and framework capture that predictability.

**Myth:** too much change too fast is destructive.

**Our research:** the highest-performing groups have the most amount of change taking place at a very fast pace.

The highest-performing groups tend to thrive from an increased amount and pace of change. They almost dare the organization to throw more change at them. Developing this ‘fitness for change’ is similar to athletes at the beginning of training. The more they train, the more they build up their conditioning and the more exertion they can undertake without any drop in performance.

**Myth:** change causes organizations to go off track.

**Our research:** change does not cause organizational dysfunction; it merely exposes it.

When we examined those groups that dropped from higher levels of performance to the lowest levels, we found that at least 85 per cent already had major underlying issues before the change programme came along. People might blame the initiative for their problems, but the data shows that a dysfunctional culture and behaviour — for example, a lack of trust in leadership — were ingrained in the organization prior to the implementation of change.

**How best to navigate change?**

**Myth:** change solutions can be boiled down to a handful of simple rules.

**Our research:** successful change requires a complex, coordinated strategy of multiple actions sustained across time.

Change management is among the most complex organizational processes. It took us 33 billion calculations to derive our change map. Although executives don’t like to hear this, they must accept complexity as an integral part of change initiatives. Indeed, successful change requires multiple actions sustained across time.

**Myth:** change is driven from the top down and is resisted by middle management.

**Our research:** effective change leadership radiates out from the centre, starting first with leaders and their teams who want to change, then joining with likeminded others, and eventually reaching every corner of the organization.
Our research clearly shows that the role of the business unit leader, who often sits unnoticed between corporate and team leadership, is the one that plays the most significant role in effectively implementing change, delivering business benefits and ensuring that ongoing business performance remains high.

**Myth:** business performance always takes a dip before improving.

**Our research:** business performance generally increases throughout a change programme.

In many models that describe the stages of change, the assumption is that, in the beginning of an initiative, inertia and resistance need to be overcome – and business performance dips accordingly. But this is not the case. The highest-performing groups improve business performance consistently across all stages of change.

**Myth:** people must suffer through the ‘valley of despair’ as a normal part of change.

**Our research:** people do not necessarily have to experience negative feelings as part of the change process, although such emotions can in certain cases be beneficial if they are understood and well managed.

The notion of a ‘valley of despair’ is based on the work by the noted psychiatrist Elisabeth Kübler-Ross (Kübler-Ross, 1973), who described the five phases of grief that people go through when faced with death or loss: denial, anger, bargaining, depression and then acceptance. We found, however, that in high-performing groups, positive feelings remained high throughout all stages of the change programme.

**Myth:** to come to terms with change, people must first have an intellectual understanding of it then an emotional agreement.

**Our research:** in high-performing groups, the reverse is true – emotional agreement precedes the intellectual understanding.

The ‘commitment curve’ is one of the building blocks of change management (Conner, 1993). According to this, people must first be aware and then understand the vision and direction of a change programme before buying into it and committing themselves. But our research shows that, although that progression is true for low-performing groups, it is actually reversed for high performers, particularly in the early stages of change. For high-performing groups, trust in leadership was so high that people were willing to commit to a change programme before fully understanding it.
What interventions to use?

Myth: all change can be managed effectively by applying universal best practices.

Our research: a one-size-fits-all approach to change will generally fail.

Organizations often manage change by focusing on a few obvious factors – for instance, holding people accountable – that seem to have produced results in the past. But there is no such thing as a single list of actions or interventions, a single sequence of events or a single method that will apply in all situations, or even at different stages of the same initiative. Our research has uncovered a number of different regions (including the nine capital cities) each containing individuals and groups with similar characteristics, including performance levels, conditions of change, behaviours, dynamics and challenges. A set of actions that might be effective in one region could easily be counterproductive in another.

Myth: organizations will achieve the best results by focusing on communication, training, team leadership and accountability.

Our research: other factors, often hidden from view and difficult to define, have a greater impact on the outcomes of a change initiative.

Of course, communication, training, team leadership and holding people accountable are all important elements in bringing about change, but they play only relatively minor roles in benefits realization and improving business performance. For benefits realization, vision and direction – building understanding and gaining agreement – is by far the most important factor, three to four times as important as any other intervention. To drive improvements in business performance, the most important factors are business leadership, and systems and processes along with passion and drive.

Myth: charismatic and empathetic leaders build organizational trust through the quality of their one-to-one relationships.

Our research: one-on-one trusted relationships with and among leaders are necessary but not sufficient. To drive change forward, organizations also need a system of trust aligned at multiple levels of leadership – a ‘trust grid’.

High-performing groups build a ‘trust grid’, where each level of leadership is dependent on the other levels, and the trust holds together in an interrelated series of actions. In combination, these actions develop staffers’ confidence that leadership knows what it is doing, is responsive to their needs, and is ready and willing to provide support to help every person to bring
about change. The synergistic effect of collective leadership action goes well beyond what is possible from a single level of leadership acting in isolation from the others or in one-to-one relationships.

**Myth:** focusing on emotions does not lead to business outcomes, so it is better to ignore them and just get on with the tasks at hand.

**Our research:** both positive and negative emotions can have a huge impact on the benefits that are ultimately realized.

The role of negative and positive feelings should not be underestimated. In terms of benefits realization, an abnormally high level of fear and frustration can result in a decline by more than 20 per cent in the benefits realized, while a high level of passion and drive can lead to an increase of 50 per cent. These differences can easily translate to millions of pounds to the bottom line when considering what is at stake in large change programmes.

**Defining high performance**

As we analysed the data, we realized early on that we needed to define exactly what is meant by a ‘successful’ change programme that achieves ‘high performance’. Interestingly, previous studies tended to look at change initiatives by focusing on whether they had achieved the intended benefits, such as a reduction in operating costs or an improvement in customer service. But in our ongoing research we found that achieving those benefits often came at a price, sometimes leaving an organization less competitive over the long run. The stress and strain of a major initiative might, for example, leave staffers exhausted and cynical, resulting in the departure of many talented employees. As such, we adopted a much broader definition of ‘high-performance change’ to include four criteria:

- **Realizes benefits from the change:** this includes completing a project or programme on time and on budget, and realizing the benefits outlined in the business case.

- **Improves business performance across the course of the change:** daily business performance should not decline during a change initiative; instead it should improve, as measured by key metrics such as customer service levels, employee productivity and operating costs.

- **Builds people’s capabilities to manage change:** while change is taking place, critical capabilities need to be developed to achieve and sustain high performance. These include skills and staffing, leadership, teamwork, systems and processes, and so on.
● **Leaves the organization in good shape to undertake further change:**
even if benefits are achieved and performance is improved, change is
a failure if people are left exhausted and unable to undertake further
change – for example, if negative feelings remain high or key
employees have left because of a lack of trust in leadership.

We found that achieving all four of these objectives lies at the heart of
successful change. Although organizations might start a change programme
with weaknesses (for example, a deficiency in team leadership), those that
are successful build capability in these areas *while* change is taking place.
The groups and organizations that make it to the highest levels of perfor-
mance in change programmes build strengths across the board. Thus, any
definition of success must include the long-term consequences of any action,
such as the ability for the group or organization to continue to achieve its
objectives long after the particular activity is over. To our knowledge, no other
approach to organizational change takes into account such a comprehen-
sive view when assessing the success or failure of various initiatives.

**Crunching the data and testing the results**

Using the above definition of high performance, we could then analyse the
data using a number of sophisticated techniques, both linear and non-linear.
These steps and our research methodology are described in greater detail in
Chapter 2. It is important to note that this research was not conducted in
isolation of the challenges of real organizational change. We have worked
with numerous change leaders who were under intense pressure to deliver
results. We were part of their change process, and our ability to identify
issues and predict outcomes mattered enormously. If we did not accurately
map the issues they were dealing with, or if we sent them in the wrong direc-
tion, then we certainly heard about it. Literally thousands of conversations
across all levels of organizations took place in parallel with our research, at
times friendly and at times hostile to our presence.

We sometimes jokingly referred to our analysis and results as ‘an excuse’
to have difficult discussions about the real issues of organizational change.
In the business world, the reality is that people generally need hard data to
talk about softer and more intangible issues. Throughout our research, we
never lost sight that our purpose was to accurately identify important issues
and have the conversations required to better manage change. This has
personally been both exciting and challenging. We were able to bring science
to what is commonly considered the ‘art’ of organizational change, and the
challenges we faced required us to find new and innovative ways of solving
real-world problems.
A map and predictable pathways for change

To manage change, today’s executives typically use project plans, schedules, budgets and employee/customer surveys. These tools might help indicate the current situation and direction at certain points in time – for example, whether a project is on schedule and on budget, and whether people’s current perceptions are positive or negative – but they don’t warn of upcoming obstacles or other problems. They also don’t predict outcomes, and they don’t offer any guidance on how to get back on track when a project falters. In fact, leaders often don’t learn that they are off track until minor issues have festered into major problems, and even then they have little information about which interventions to apply. The fundamental flaw with such approaches is that they are reactive, which tends to reinforce the mistaken assumption that change is inherently unpredictable, chaotic and possibly even random. But if there is anything that our research has shown, it is that change follows mostly predictable patterns, and those patterns are captured in our system.

From the beginning, our purpose in collecting data was not merely to enable us to evaluate an initiative after it has occurred. Our larger goal was to provide ongoing, timely feedback that could help manage the seemingly unruly dynamics of the change process itself by providing the right guidance for fine-tuning any interventions. This, we believe, represents a fundamental shift in perspective, from a reactive to proactive mindset. Interestingly, organizational change is often described as a journey, yet accurate maps showing the complex interactions between people, change, resources and performance have not been available for groups to plot getting from one location to another. Lack of such maps, for common use by all stakeholders, has been a major cause of misalignment and wasted effort in change projects.

Using the data we collected, we built multidimensional change maps, comparing data across teams, organizations and change programmes (see Figure 1.1 – the main change map – and see too the full-colour version of this map on page 20). These maps represent the various patterns we identified through an extensive analysis of the data. Specifically, we found that groups undergoing change initiatives tend to fall into different clusters – represented by different regions on our map, from very low to high performance – with similar characteristics, behaviours, dynamics and challenges. Unlike other tools such as budgets and project schedules that are linear and one-dimensional, our maps capture the multidimensional complexity of
change initiatives. As we describe in Chapter 2, the maps are drawn in two-dimensional space but they encompass 44 different dimensions, representing a step difference from how change programmes have been viewed in the past.

Our maps and overall framework help outline the relationship between performance, change processes and various organizational characteristics that affect performance and the success of change programmes. These range from the available resources, the stage of change and strength of leadership, to the feelings of individual participants in the change initiative. It is important to note that our system measures the benefits being delivered from a change programme, the strength of key drivers and the impact on business performance while change is taking place. In other words, our system provides leaders, managers and teams with the information they need to keep their programmes on track, and this includes early warnings about future obstacles as well as prescriptive advice to handle current problems.
Where the action is: nine capital cities

To be useful, a system for organizational change must present information in a way that expresses a situation unambiguously to leaders, managers and staff (who all need to make decisions from different perspectives) and shows the best course of action. What makes the GPS system in a car powerful isn’t really the underlying satellite and computer technology – it is the user interface that displays a map and provides simple instructions about what to do next. Furthermore, for that system to be even more valuable, it would enable consumers to look ahead and alter their course to adjust for traffic jams, bad weather, road construction and other adverse conditions. That describes the system we have developed, but instead of helping drivers to get from point A to B, we enable organizations to better navigate their change initiatives – because others have travelled those paths before.

Our change maps have regions that indicate areas of similar performance, characteristics and dynamics. In one such region, named Case for Action, located near the bottom of the capital cities map (see Figure 1.2 – see too the full-colour version of this map on page 21) with low performance, the

**Figure 1.2** Map of the nine ‘capital cities’ regions
levels of fear and frustration run so high that they impede teams from making any progress. Even adding more staffing and other resources will be futile until management can address those negative emotions, and our data suggests various ways to accomplish that.

That is, our maps not only contain descriptions of the various regions; they also include information about the different pathways leading in and out of those areas. These results are based on more than 30,000 paths taken by different teams, business units, divisions and entire organizations, and we can describe those journeys and tie them directly to the different decisions that people made to move from one location to another. For example, for those in the region Case for Action, we know that the most common pathway is to a region of higher performance named Just Get On with It. And to navigate that transition, our research tells us that people must concentrate on small wins, setting achievable targets to improve accountability, teamwork, and passion and drive, all while focusing on better team leadership to lower everyone’s level of fear and frustration. In fact, if the team leader cannot lower people’s fears and frustrations, the group is likely to remain stuck in Case for Action for quite some time, no matter what else they try. These and other prescriptive pathways are described in detail in Chapters 3 through 11.

Furthermore, we have discovered that most groups undergoing change tend to reside in one of nine different regions. We use the term ‘capital cities’ to refer to those regions, which include both Case for Action and Just Get On with It. In fact, we found that about 75 per cent of all groups that we measured tend to end up in the nine capital cities. As such, it behoves organizations to master the dynamics of those nine regions. Develop the skills to recognize and unlock those nine patterns, and your organization can master change initiatives in an uncertain and unpredictable world.

**The change imperative**

The long-term competitiveness – if not survival – of organizations will increasingly depend on their ability to manage change, specifically, whether they have developed agility as a core capability. Indeed, one recent study (The Global Agenda, 2014) reported that the most significant challenge that CEOs face when implementing investments in digital business initiatives (such as cloud computing, data analytics, and social and mobile technologies) was, by some margin, the difficulties encountered in managing change. This was well above other challenges, such as skills shortages, insufficient funding and poor cross-functional cooperation.
Yet if we look at the track record of organizational change to date (see box ‘The evolution of organizational change’), the results have been mediocre at best. Various studies have investigated the failure rates of major change efforts, and the results have been sobering, indicating that as many as three out of four such initiatives fail to deliver on their objectives. The price of such failures can be staggering, not just in terms of costly overruns, blown budgets and other direct hits to the bottom line – it is also the ancillary costs of the stress and pain that people experience when getting ‘bumped and bruised’ if change initiatives go awry.

The evolution of organizational change

Organizations invest considerable resources to implement change, but a huge disconnect exists between the complexity they are dealing with and the sophistication of the tools they use. Indeed, although we live in a world of algorithms and breathtaking scientific advancements, we continue to rely on tools out of the Stone Age to track and navigate change. To understand our current predicament, some historical context is needed.

In the world of engineers, counting, quantifying and classifying are a routine part of their jobs, and the saying that ‘You can’t manage what you can’t measure’ is a fundamental truth. In the field of change management, measurement methods and tools have generally reflected the predominant paradigm of their respective era, with advances often prompted by the evolution of technology, coupled with the increasing sophistication of the statistical models and mathematical algorithms used to analyse data. Over the years, four major frameworks for understanding organizational change have been espoused, tested and applied. Each has reflected a different era and paradigm of thought, and each has suffered characteristic ‘blind spots’.

In the era of scientific management, people conducted the first scientific studies of the detail of human work and work process flow, introducing the concepts of work standardization and quality control that still resonate today. The measures and methodologies used were simple by today’s standards: time-and-motion studies, observations, task-based structural analysis and comparisons of pre-/post-measurements of productivity or output.

In the next era of human relations, the focus shifted more towards the human aspect of change, and theories of motivation became more sophisticated, moving beyond extrinsic motivators such as salary to intrinsic ones: the work itself and the autonomy of the employee. As such, organizations collected data about the attitudes and feelings of people through various
mechanisms, such as employee surveys investigating motivation and satisfaction. Feelings were taken into account as ‘morale’ or ‘employee attitudes’, which we now understand as ‘engagement’. Employee engagement, however, was later found to be just a small piece of the overall puzzle.

The next era – sociotechnical systems – aimed for a balance between the two previous eras, focusing on the complex interactions between and joint optimization of technological and social subsystems. High importance was placed on employee involvement and participation, and the interaction between people, systems and processes and the development of skills became the real job of change. Organizations were described as ‘open learning systems’ that would evolve but eventually settle into a steady state, which proved to be a flawed assumption. Vision and direction became the focus of the leader’s attention, but the measurement of change as a continuous process of ongoing adaptation was difficult, and storytelling became popular as a means to access the complex realities of change.

Finally, in the current era of complex adaptive systems, the goal is to implement change in a more holistic way, making it easier to achieve and more sustainable over the long run. Here, implementing an initiative means managing multiple, overlapping systems – such as rapidly fluctuating international financial markets, global supply chains and social media – in which various changes are taking place simultaneously. Change is now seen as a continuous process of adaptation to constantly changing external conditions, and the approach to managing change has shifted from one where employees are consulted in a process that is dominated by an external ‘change expert’ to one where the change practitioner is skilled in process facilitation, helping stakeholders to see the ‘cause and effect’ of their actions. Also, there is more focus on actively shaping the process of change itself and using insights from sophisticated measurement systems and techniques, which become critical success factors.

The fundamental problem has been that, even as change has evolved towards complex adaptive systems, we continue to use tools and approaches from earlier eras. And that explains the sorry state of change management today, in which project overruns, delays and derailments have become all too prevalent. In short, we have been implementing change in a complex, multidimensional world without the proper guidance to navigate through such programmes. Our framework seeks to address that shortcoming, and we believe that our insight-driven approach to change represents a fundamental shift in the way that organizations think about and manage organizational change.
This poor track record of organizational change continues despite – or perhaps because of – the overwhelming volume of information written about the topic. A huge part of the problem is that many of those books, articles and white papers have been based less on hard empirical evidence and more on misconceptions, faulty assumptions and a misplaced faith in certain ‘best’ practices such as ‘communicate, communicate, communicate’, ‘push hard on costs’ and ‘increase engagement’. As such, leaders who have struggled to identify the underlying drivers of change have been looking in the wrong places to find the solutions to their problems.

All this does not bode well for the future. If anything, businesses in the coming years will be experiencing more change, moving at an even faster pace. For one thing, digital technologies will continue to dramatically transform industries. In *The Second Machine Age* (2014) Erik Brynjolfsson and Andrew McAfee point to a future of unprecedented disruptive change as a result of technological advancements: ‘Rapid and accelerating digitization is likely to bring economic rather than environmental disruption, stemming from the fact that as computers get more powerful, organizations have less need for some kinds of workers. Technology progress is going to leave behind some people, perhaps a lot of people, as it races ahead’. According to Brynjolfsson and McAfee, the critical issues ahead of us will not be technological challenges but people issues, for example, figuring out how to unleash the power of human creativity and ingenuity. And if we have not managed change well to date, how are we going to do so in the future, with even greater amounts of change?

In short, we have reached a crossroads, and there has never been a more important time to find new and more effective ways to manage organizational change. We simply won’t realize the benefits of emerging technologies, offering new hope for our work and lives, if we keep going as we have been. No less than a step change is required.

We believe that our new framework for managing change provides that leap. The approach described in this book is not based on past assumptions or conventional wisdoms but on the synthesis of the experiences of hundreds of thousands who have undergone change programmes. Moreover, our insights and our navigation system can provide that collective knowledge in real time to those in the midst of implementing change. In that regard, our approach is not unlike that of TripAdvisor, which delivers up-to-date information to consumers so that they themselves can make better decisions about their journeys, including any corrections and adjustments along the way. Similarly, our system provides change leaders with access to data – in our case, the insights from others who have undergone change initiatives –
so that they can better plan and guide their own journeys. In other words, our goal from the start was to put a system in the hands of non-experts, that is, normal everyday leaders who must navigate change programmes in real time.

So, where do we go from here? In the next chapter, we discuss our basic research in greater detail and describe the development of a model and maps that enable organizations to track their change progress and formulate interventions. That system provides information on pathways that will allow organizations the confidence to know that, if they take certain actions, they will arrive at particular destinations. The remainder of the book is structured around the dynamics of the capital cities (and their associated zones) – nine locations where the vast majority of people undergoing change will tend to reside. Some of these cities are comfortable and vibrant. Others provide temporary residence in difficult conditions for those who would rather not be there. Still others are like frontier towns in the Wild West, where risks are high and surprises often unpleasant. These regions and their characteristics are highlighted in Chapters 3 through 11, one for each capital city. (Note: throughout the book we use numerous examples of specific organizations to illustrate key points. To protect the confidentiality of our clients, we may at times alter identifying details of their companies. Also, some examples may represent a composite of organizations from our research with similar experiences.)

Before moving on, we need to refer back to a myth we cited earlier. Change management is among the most complex processes, and yet managers often want a simple basic plan for success. ‘Tell me the two or three things that I need to do’, is something we frequently hear. But that is a woefully misguided request. People dealing with change programmes must accept complexity because of the inherent nature of such initiatives. But, as we shall see, complexity does not necessarily mean incomprehensibility, and our change maps are the first step in uncovering the patterns that will help make the complex more accessible.
MAP 1 Change map showing the different regions of change – find out where your change programme positions on the map at www.accenture.com/changemap
MAP 2 Map of the nine ‘capital cities’ regions