

Change Management: The Importance of Aligning Culture With Change

BY JOHN HOUSEAL

The studies are clear: without aligning the organization's culture with a change initiative, it will fail.

According to John Kotter, change management is an approach to transitioning individuals, teams, and organizations to a desired future state. The topic of change management, and the cause of successful organizational change dominate the literature, the board room, and the water cooler.

Every consulting firm sells it, most companies buy it, and everyone could use more of it. Companies invest great effort and many resources into ensuring changes are smoothly and successfully implemented to achieve lasting benefits. But for all that effort, seemingly little attention is paid to the fact that these investments often fail. Even less is paid to the root causes of that failure.

Towers Watson found that only 25 percent of change management initiatives are successful over the long term. That's a seemingly dismal statistic when you consider that the same study reported almost nine in 10 managers responsible for those change management initiatives were trained to "manage change."

As an executive, you can take refuge in the finding that 55 percent of the change initiatives succeeded initially — and hope that by the time things move sideways, someone else will have to take the blame. Or, you will be bold, commit to being the exception, and adopt what best practices tell us to do. Namely, some version of the following:

- Define the change and commit to it.
- Provide effective and strong executive sponsorship.
- Create buy-in from front-line managers and employees.
- Conduct training to educate and engage employees. Engage in continuous and targeted communication.
- Take a planned and organized approach.

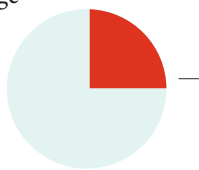
If, for some reason — perhaps the law of large numbers — you are not successful at "cracking the change code," you can take comfort in knowing you're

not alone. The 2009 McKinsey article, “The Inconvenient Truth about Change Management,” observed that merely one in 10 executives rated their change programs as “completely/mostly successful.”

The reasons executives said their change programs failed are long and varied, but most fall into one or more of the following standard categories: resistance, sponsorship, commitment, resources, and politics. If it weren't for people, the executives seem to be saying, we could successfully implement change. And therein lies the problem.

Almost every change management program begins with the concept that the success of a change management program is primarily driven by the ability of the program to influence the knowledge, attitudes, and beliefs of individuals, be they leaders, managers, or employees.

Our experience, and a body of research, suggests that individual resistance to organizational change is rare. More often, the organizational environment (e.g., structure, incentives, and status quo) forces employees to choose between the desired change and their own self-interest.



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This leads to obvious results, which while frequently observed (i.e., failure of the change program), are also commonly misunderstood (i.e., individuals not being capable of change). As Beer, Eisenstat, and Spector argued almost 25 years ago, “most change programs do not work because they are guided by a

theory of change that is fundamentally flawed.” In essence, change management is dead on arrival.

Clarifying this misunderstanding sheds new light on our prospects for understanding how and why change programs are successful, while also offering the opportunity to reframe investments in change management to make them more successful.

Moving beyond the psychology of individual change, which is well covered in Keller and Aiken’s “The Inconvenient Truth about Change Management,” our experience suggests that to be successful, the change program must align the organizational environment to support the change. This is critical, time consuming, and resource intensive. Most importantly, it goes beyond periodic incentives and transient prizes. Governance, structure, and incentives must be aligned. No amount of education will defeat individual self-interest.

Peter Drucker once quipped, “culture eats strategy for breakfast.” A reasonable observer looking at the state of change management would conclude your organizational environment will eat change for lunch.



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