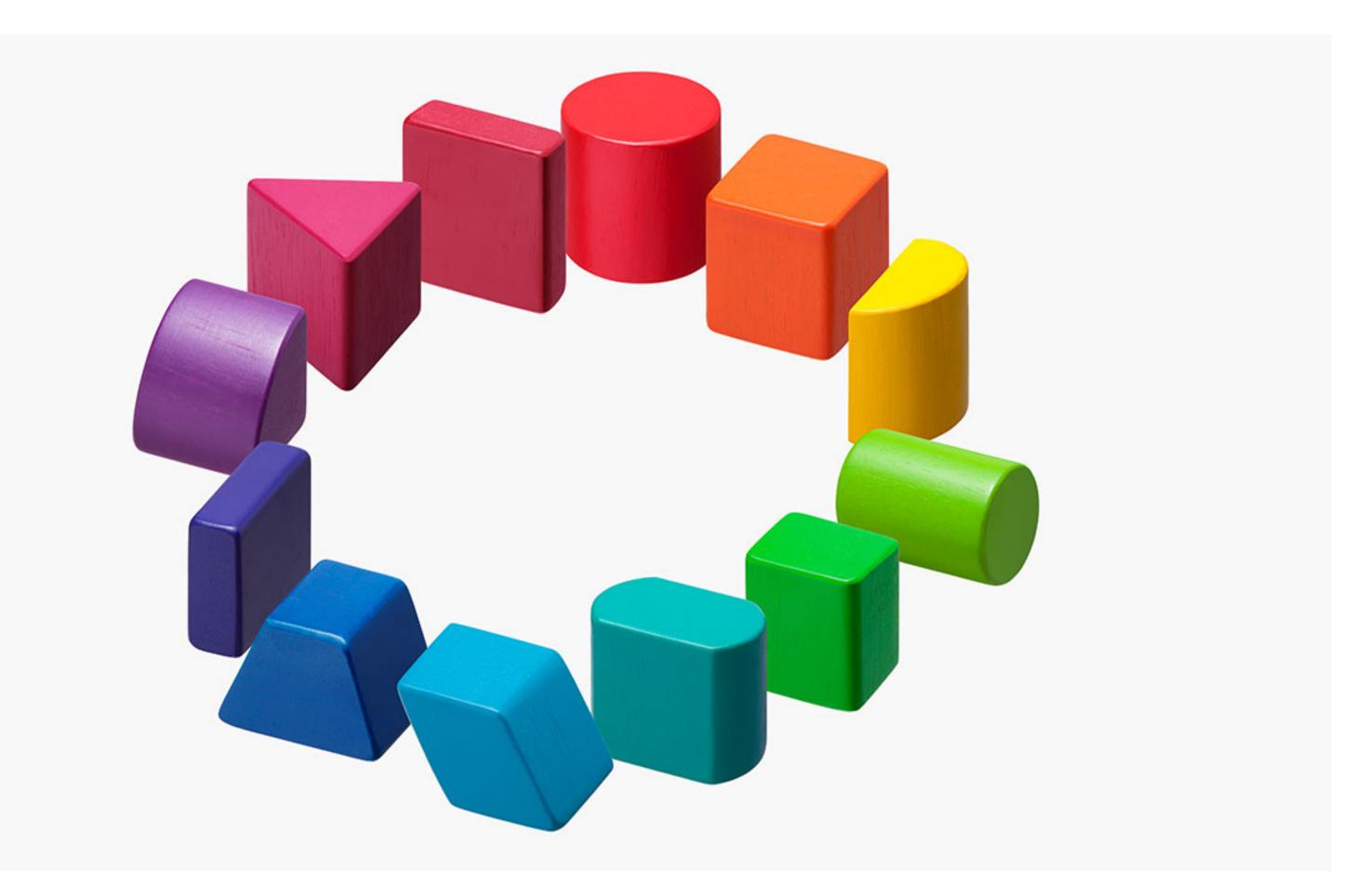
Stop Using the Excuse "Organizational Change Is Hard"

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During nearly every discussion about organizational change, someone makes the obvious assertion that "change is hard." On the surface, this is true: change requires effort. But the problem with this attitude, which permeates all levels of our organizations, is that it equates "hard" with "failure," and, by doing so, it hobbles our change initiatives, which have higher success rates than we lead ourselves to believe.

Our biases toward failure is wired into our brains. In a recently published <u>series of studies</u>, University of Chicago researchers Ed O'Brien and Nadav Klein found that we assume that failure is a more likely outcome than success, and, as a result, we wrongly treat successful outcomes as flukes and bad results as irrefutable proof that change is difficult.

For example, when participants in one of the studies were presented with a season's worth of statistics for a star athlete who had logged worse numbers than usual, the participants were quick to conclude that the player's career had begun an irreversible downward spiral. But when presented with the stats of a historically average player who had a breakout season, the same people concluded that this boost in performance was nothing but a fluke.

The researchers found the same negatively-biased evaluations in all sorts of situations: when pessimistic people try to become more positive, when angry bosses try to cut back on veinpopping outbursts, when B students try to become A students, when candy-cravers try to become lettuce-lovers, and when pundits are deciding whether the economy is primed for a rebound or a recession.

In organizational change initiatives, our negative biases can create a toxic self-fulfilling prophecy. When a change project falls a day behind schedule, if leaders and employees believe that successful change is an unlikely outcome, they will regard this momentary setback as the dead canary in the coalmine of their change initiative. (Never mind the fact that three other initiatives are still on time or ahead of schedule.) Suddenly, employees disengage en masse and then the change engine begins to sputter in both perception and reality.

The insidious myth that change initiatives usually fail is disturbingly widespread. Most experts, for example, state that 70% of change efforts fail, but a 2011 study in the Journal of <u>Change Management</u>, led by the University of Brighton researcher <u>Mark Hughes</u> found that there is no empirical evidence to support this statistic. In fact there is no credible evidence at all to support the notion that even *half* of organizational change efforts fail.

Hughes traces the mythical 70% failure rate back to the 1993 book <u>Reengineering the Corporation</u>, in which authors Michael Hammer and James Champy stated: "our unscientific estimate is that as many as 50 percent to 70 percent of the organizations that undertake a reengineering effort do not achieve the dramatic results they intended."

From that point on, Hammer and Champy's "unscientific estimate" took on a life of its own. A 1994 article in the peer-reviewed journal *Information Systems Management* presents Hammer and Champy's estimate as a fact and changes "50 percent to 70 percent" to just "70 percent."

In Hammer's 1995 book, *The Reengineering Revolution*, he attempts to set the record straight. "In <u>Reengineering the Corporation</u>, we estimated that between 50 and 70 percent of reengineering efforts were not successful in achieving the desired breakthrough performance. Unfortunately, this simple descriptive observation has been widely misrepresented and transmogrified and distorted into a normative statement...There is no inherent success or failure rate for reengineering."

Despite Michael Hammer's clarification, the 70 percent statistic has continued to be cited as fact, including in Harvard Business Review articles and books.

Granted, there is some ambiguity surrounding the success of change initiatives. For example, when consultants at McKinsey surveyed 1,546 executives in 2009, 38% of respondents said "the transformation was 'completely' or 'mostly' successful at improving performance, compared with 30 percent similarly satisfied that it improved their organization's health."

Based on the numbers from the McKinsey study, it would be tempting to conclude that since only 30-38% of change initiatives are "completely/mostly successful," then 62-70% must be failures. However, the McKinsey authors added that "around a third [of executives] declare that their organizations were 'somewhat' successful on both counts."

In other words, a third of executives believed that their change initiatives were total successes, and another third believed that their change initiatives were more successful than unsuccessful. But only "about one in ten admit to having been involved in a transformation that was 'completely' or 'mostly' unsuccessful." Therefore, pointing to the McKinsey study as evidence for a 70% failure rate is like saying that every time a baseball player steps up to the plate and doesn't hit a home run, that player has "failed." But that isn't true in baseball any more than it is true in organizations. The McKinsey results show that around 60% of change initiatives are somewhere between a base-hit and a home run, and only 1 in 10 are strikeouts.

So what does this all mean?

Change is hard in the same way that it's hard to finish a marathon. Yes, it requires significant effort. But the fact that it requires effort doesn't negate the fact that most people who commit to a change initiative will eventually succeed. This point has gone largely unnoticed by an entire generation of experts and laypeople alike. I am just as guilty of this omission as everyone else. But now that we know the truth, don't we have a duty to act on it? Isn't it time to change the way we talk about change?

As leaders and consultants we need to be aware that our team members are not entering change situations with a blank slate. Two decades of hearing about mythical failure rates has planted the seeds of bias against success in our minds. And every time we say "change is hard" we water those seeds.

The good news is that we can address this problem simply by flipping the script. In one of their studies, the University of Chicago researchers reminded study participants how most people do in fact successfully improve with a little bit of effort. In this study, the results were exactly opposite: study participants were quicker to notice changes for the better rather than changes for the worse. By priming people with a simple fact about the high probability of successful change, the researchers completely eliminated the negative bias.

Couldn't we do the same?

Instead of pouring more gas on our burning platforms, we could remind ourselves and our teams that we have been learning new skills and adapting to new environments literally since the day we squirmed out of the womb. Every time we feel the impulse to say "change is hard," we could make a different claim that is every bit as accurate: Adaptation is the rule of human existence, not the exception.

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