



Why change programmes fail

In the second of three articles looking at change, **Mark Eaton** examines why many improvement initiatives stall

Do change programmes fail? With so many organisations¹ failing to improve performance successfully – often despite massive financial and time investments – maybe it is better to ask whether they were ready to make the changes in the first place.

These problems are not just occurring in naive organisations that employ incapable people. We can be sure of this partly because naive organisations tend not to survive long enough to need to implement further changes. So what could be going wrong?

The first reaction to the common statistic that ‘75 per cent of change programmes fail’² is to challenge whether the figures are correct. Perhaps they only apply to certain sectors or with particular types of organisations? Or perhaps it is a problem with the definition of ‘failure’ or ‘change’?

Studies going back 20 years³ have been undertaken in the UK and US across a wide range of sectors and the results appear to be remarkably consistent across sector, size of organisation and level of complexity.

‘Failure’ means that the stakeholder expectations were not met to a greater degree. In some circumstances, this means that the organisational performance might have decreased or the organisation has failed to recoup its investment but progresses up

Sometimes senior leaders believe so strongly in the vision of what they want to achieve that they cannot see the flaws in their own plans

to the point where stakeholders were unimpressed with the results that were achieved.

The term ‘change’ is also one that is widely used and there is often a misunderstanding about its meaning. For example, over the last 25 years, there has been significant change in the technologies involved in the design and manufacture of golf clubs, yet scores have remained remarkably static. In this case, change has not led to improvement.

Many of the issues that ultimately lead to ‘failure’ can be predicted and even planned for, while the implementation of change should be synonymous with that of improvement and not a ‘possible’ outcome. As the saying goes, ‘improvement always means change but change does not necessarily mean improvement’⁴.

Premonitions of success

Just because it is possible to predict the success of a change →

programme does not mean it is easy to predict success and, often, it is only in hindsight that many of the problems that arose could be seen.

Sometimes senior leaders believe so strongly in the vision of what they want to achieve that they cannot see the flaws in their own plans. This is known as the Somme Mindset.

On the first day of the battle of the Somme (1st July 1916), leaders at every level of the British Army had been led to believe that the battle would be a 'walkover', so they did not believe the stories of the majority of the wounded soldiers coming back from the front line that the Germans had not been 'blown out of existence' and the barbed wire was still intact. Instead, they chose to believe the occasional stories of success that filtered through and continued to pour soldiers into the battle until some 60,000 British soldiers had become casualties in one day – the worst single-day loss of British soldiers in history.

Other programmes are doomed to failure by leaders making what they believe are minor decisions that then turn out to have a massive impact – as in the following examples:

1. Having agreed to invest in an improvement programme, the board delegated its day-to-day running to an improvement team. The decision was made that the improvement team would then engage the divisional directors and that they had been 'empowered' by the board to deliver the changes. At that point, the improvement programme ceased to be a board issue
 2. Another organisation decided to invest in what it described as an organisation-wide transformation but failed to set aside any time or finance to achieve its objectives.
- Professor W Edwards Deming, the 'father' of quality

The reality of implementation is that it is a lot harder than it may appear on paper

improvement and the recovery of the Japanese economy, is quoted as saying: "All models are wrong, but some are useful."

So here are some useful models that help predict improvement success.

As a broad model, Gleicher's Formula⁵ provides an easy-to-follow structure for determining whether an improvement programme will be successful. It is normally written as:

$$\Delta = D \times V \times F > R$$

With the key being:

Δ = Probability of change success

D = Dissatisfaction with the current state among the team

V = Clarity of the vision of what the organisation is trying to achieve and what it means to individuals

F = Clarity of what the first steps will be

R = The level of resistance to the change.

What Gleicher's Formula shows is that, if there is not a

general dissatisfaction with the current way things work (and that needs to apply to the majority of the organisation, not just the board), if the vision of what the organisation is attempting to achieve is not well articulated, or if the implementation plan is not well defined, it is likely it will not overcome the resistance to change and, so, the change will not succeed.

Another way of looking at the probability of success of a change programme is to consider it from an individual perspective – see Figure 1⁶ below.

Figure 1 shows that the highest probability of an individual accepting, and participating in, a change programme is when he is dissatisfied with the current way things work and also perceives that, by being involved, there is a low personal risk – which could be reputational risk, risk to career prospects or unacceptable disruption to personal things that he enjoys, such as time with children or pursuing hobbies.

Figure 2 (right) aims to bring together the elements of Gleicher's Formula and the contents of Figure 1 into a single 'recipe' for improvement⁷. It shows that real success comes from having four main elements in place:

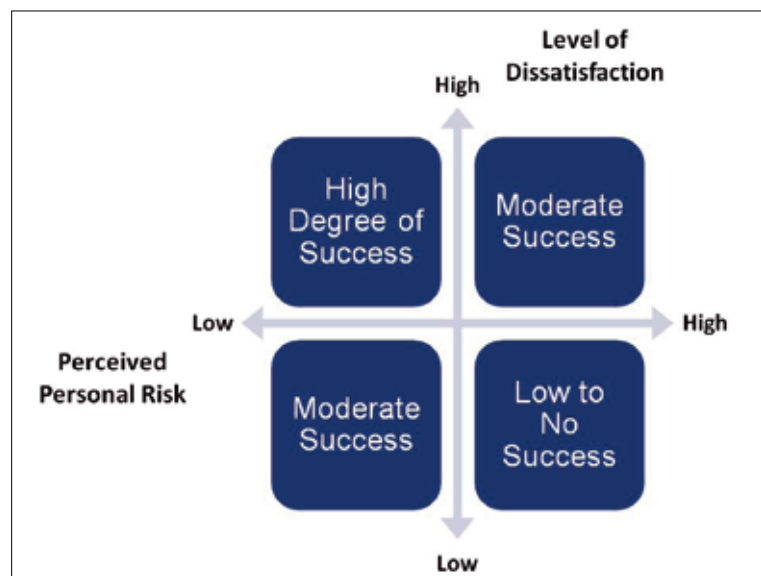
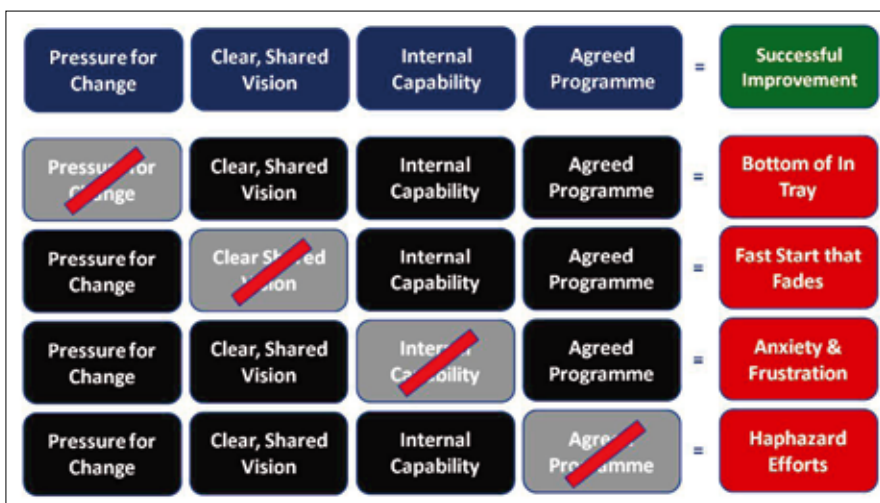


Figure 1 Personal commitment to change



- A pressure for change that is felt throughout the organisation
- A clear and shared vision of where the organisation must improve
- Internal capability (time and skills mostly but also including financial investment) to implement the changes
- An agreed programme of activity.

If any of these elements are missing, it is likely that the programme will fail to deliver the expected results.

It is common that organisations fail to articulate the pressure for change that they are under or fail to create robust visions that engage them (and external stakeholders). Moreover, as quoted by John Kotter⁸, “whenever you cannot describe the vision driving a change in five minutes or less and get a reaction that signifies both understanding and interest, you’re in for trouble”.

This does not mean that the world is not full of vision statements. Here are two examples to illustrate what it means to fail to create a pressure for change or a shared vision:

Example 1: “We must all strive to improve our quality and shareholder value and aim to become an upper quartile organisation.”

What does this mean? Does quality mean you want to kill

the fewest customers or that your products are unreliable? Also, what is an “upper quartile organisation”?

Example 2: “Improving productivity and efficiency will deliver significant benefits to us all over the long term and will enable us to reduce our operational costs to ‘best in class’ levels, enabling us to retain our position in the market.”

While this is a better statement than the first example, it does nothing to calm any fears that the reader will lose his job.

This is not to say that all the problems that might be experienced can be eliminated by a single, well-constructed statement but that it is a

Figure 2: Successful improvement

requirement that leaders open up – and keep open – a meaningful dialogue with staff about why the changes are required, what needs to be done and what the impact will be.

While Figure 2 provides a useful model for predicting whether a programme will be successful prior to implementation, in reality most problems happen after the programme is launched.

Breakdown at the roadside

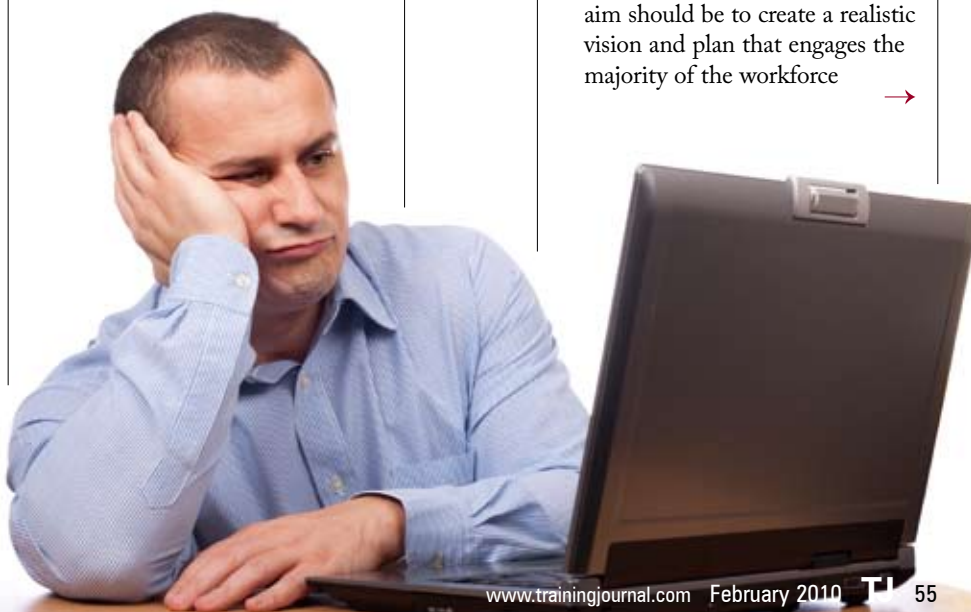
In the process of implementing change, “lesson one about sustaining the change is that it is not about the techniques, it is about the people”⁹.

The reality of implementation is that it is a lot harder than it may appear on paper. Writing ‘we will achieve radical change’ or ‘we will transform our organisation’ takes seconds, but the ramifications of these words can have an impact on the organisation for years to come, both in terms of the disruption and investment and the feelings of negativity that can accrue from a team who have been man-handled through the process.

Operational issues that arise that affect the success of improvement programmes include:

- **Trying to bring everyone on board**

At the start of the process, not everyone will be a ‘believer’. The aim should be to create a realistic vision and plan that engages the majority of the workforce



- **Managers leaving it to those higher up to explain the rationale for the change** Middle and junior managers have a big impact on the day-to-day commitment of their local teams to any improvement activities. If front-line managers are giving out messages that contradict the 'corporate' one or are not seen to be committed to the process, don't be surprised when their team don't seem interested
- **Focusing on the process of change and not the purpose** People become fixated on the process of change – whether it is through Lean, Six Sigma or any number of other approaches – and either lose sight of the purpose of what they are trying to achieve or create an inflexible improvement programme that does not allow them to adapt to changes in their external environment

Change for the sake of change is not improvement at all

- **Failing to anticipate problems and push-back** Nothing creates problems like changing the *status quo*. From real issues such as an unexpected outcome of a new process, to obstacles such as intransigence of key members of staff, a failure to anticipate, and have in place a strategy for dealing with, issues will halt an improvement programme immediately
- **Words and actions not in alignment** The words of senior leaders need to be in alignment with their actions. A programme that explicitly states that there will be 'no headcount reduction

through the investment in improvement' is completely undermined when one person is made redundant through the programme.

Figure 3¹⁰ (right) summarises the reality for improvement activities. If the 'readiness' of the organisation for change (meaning it has all the elements of Figure 2 in place) is effective, and the way it implements the change is effective, the change will work. In all other categories, such as having an effective readiness for change but poor implementation approach, the result will be a failed change programme.

Six practical things to avoid improvement programme burnout

Here are six practical things that organisational leaders can do to reduce the risk of their improvement programmes going wrong¹¹:

- **Set high standards** A belief in mediocrity¹² and that



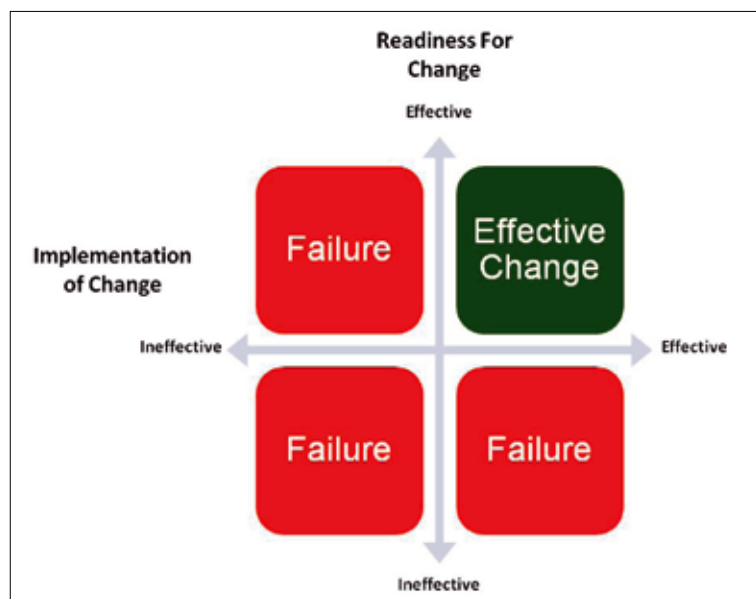


Figure 3
Effective
change
matrix

Suffice it to say, I chose not to work with that organisation. ■

References

1. Much research into sustainability is available with the average success rate from published sources claiming that only between 15 and 30 per cent of organisations successfully manage to achieve the results they are looking for from their improvement activities. A useful resource that mentions a number of these studies is *Conquering Organizational Change: How to succeed where most companies fail* Mourier and Martin, Project Management Institute 2001
2. This is the most commonly quoted statistic for the probability of failure of improvement/change programmes. This reference is taken from a survey by The Cameron Group 1997
3. Many references to the studies undertaken cannot be traced back to the original source data. Wherever possible in this article I only refer to those where I have been able to reliably track down the source data or a reliable reference
4. Quoted in many sources but believed to originally have come from Professor John Bessant of Imperial College, London
5. Actually, this was created by Richard Beckhard and David Gleicher in 1969, although it is normally simply referred to as Gleicher's Formula
6. Adapted from 'Organisational Planned Change; Assessing the chances of success', Zeira & Aveidsian *Organisational Dynamics* Spring 1989 P37
7. Perhaps because of its usefulness there are many sources listed for this table (and several different variants) but no original source can be determined by the author.
8. In his book *Leading Change*
9. Adapted from a quote by Nigel Wood in 'Making it stick' *Management Services* July 2004
10. Adapted from a presentation by Gregg Weiss, Corvus Business Advisors, 2007
11. Adapted from 'Making Change Stick' Pace, Rogers and Harrop *Insead Quarterly Review* 2003
12. From a comment by Jim Easton, now the Department of Health's Quality & Productivity Tsar
13. Both terms are quotes from Martin Charns in 'Implementing Organisational Change' *FORUM* 1994
14. Source unknown for this quote

the current performance levels are 'acceptable' is at the heart of many failed programmes. Leaders need to set high expectations and high standards but, at the same time, explain why they are required because change for the sake of change is not improvement at all

- **Lead by example** If you expect your front line managers to find time in their busy schedules to lead improvement activities, senior leaders need to make the same sacrifice
- **Give the 'right' managers the power to implement the change** Not all managers want to implement changes to the way they work and some will be 'hard-core resisters', while others will want to 'wait and see'¹³. Focus on those who going to be your 'initial participators' or even 'core believers' and empower them to make the initial changes
- **Focus on the results not on the process** Be clear about how you will measure success and by when, keeping in mind that "some is not a number. Soon is not a time"¹⁴. Do not become obsessed with the process of change and retain flexibility in your approach

- **Change quickly** Set an appropriate pace for change. Leaving it too long from launch to first actions takes the wind out of the sails before you start. If possible, do things concurrently rather than sequentially
- **Go where the interest and the impact is** Your first projects should be chosen with care. You want to choose areas that matter and teams who want to participate.

Whatever you do, be clear about what you are trying to achieve, why and by when it needs to be done.

A potential client of mine had tried to start its improvement programme but stalled at the first hurdle and was looking for support to help it restart the programme. The discussion went something like this:

Me: "How much support is there in the organisation to do this a second time?"

Client: "Everyone is raring to go."

Me: "Great. So if I go and speak to your receptionists they will know what this programme is all about and why now is the right time to make the changes?"

Client: "People like that don't matter do they?"

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