





# Demystifying Change Management

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As you are sure to have noticed, change has become a ‘way of life’, with ‘change management’ being a recognised discipline for 30 years now. Despite significant investment and literature on the subject, most studies still show a ‘60-70% *failure rate for organisational change projects - a statistic that has stayed constant from the 1970s to the present*’<sup>1</sup>.

Why is it so difficult to manage, implement and successfully master change? Could change resistance have been invented by managers in order to justify their potential failures? Could the ever-increasing degree of complexity related to organisational transformations be the main cause of this challenge?

Three decades of experience later, the assertion that ‘*today’s world of business is not just changing – it’s transforming*’<sup>2</sup> has created an urgent need to apply some self-analysis, and potentially discover the seeds of a new change dynamic.

Common misconceptions about change management lead to a superficial approach to change initiatives. We will now look at each of these in turn with a view to demystifying change management.

<sup>1</sup> <http://blogs.hbr.org/2013/04/change-management-needs-to-cha/> - Harvard Business Review, ‘Change management needs to change’ by Ron Ashkenas

<sup>2</sup> Inside, CIO edition 2013, ‘CIO as Chief Innovation Officer’



### 1.1 Exploring strategic change

#### **Misconception #1: We need to change because everyone is doing it**

Charles Darwin wrote that evolution advances by means of natural selection. In organisations, this is commonly referred as the 'change or die' rule. Change is natural, implicit and – according to Darwin – is needed to move forward or even survive in some cases.

But at first, many organisations go full-steam ahead to design their strategic change plans without taking the relevant time to consider the fundamentals. What does the organisation want to preserve? *'Know thyself and you will know the Universe and the Gods'*<sup>3</sup>, by analogy an organisation would largely benefit from first thinking 'values' before thinking 'change'. Before 'knowing how' to change, then, the question of 'why' we have (or want) to change our strategy has to be carefully considered and answered in terms of objectives to be reached.

'Change for its own sake' (or because competitors do so) cannot be a valid argument. The link between the change effort and the organisation's strategy is essential.

The stakes are high: it is the starting point of the change initiative. It is of paramount importance that everyone holds a common understanding of the objective(s) to be reached. Not only are the organisation's mission/objectives used as a point of reference during the very useful diagnostic exercise, but they also play a key role in filtering activities throughout the change management process.

An organisation will integrate changes only if it considers that those changes support the organisation in reaching its main and specific objectives. Successful change requires development of a context-sensitive approach. Only under those conditions can employees' behaviours be adapted and changed.

<sup>3</sup> Precept of the Delphic oracle which Socrates passed on to his followers.

### **Misconception #2: Senior management alone can define what and how to change**

One of the most critical factors in change management is leadership. There is a correlation between leadership's commitment to the proposed change and the achievement of planned outcomes and benefits. It is commonly admitted that the leaders of an organisation (senior management) are the architects of most strategic changes. We are convinced that the process of defining the nature of the change and its strategic direction is often more important than the content of the strategic direction itself. A participative approach at this stage leverages the implementation of strategic changes. Vision means nothing if it is not shared within the organisation.

By involving middle management and operational teams (including opinion leaders) when defining strategy, senior management can take the first step towards a successful change initiative. It creates powerful buy-in at early stages from the bottom up. Thanks to this participative approach, senior management will then be able to choose the most satisfying solution from the information available and take a position on the questions: where could we go, where can we go, where do we want to go?

### **Misconception #3: Individuals are more manageable than teams in a change context**

A transformation initiative is affected by the number of people required to execute it. Considering the implementation of change at an individual level is restrictive. Indeed, teams of people working together are a necessary prerequisite for overcoming organisational challenges.

An organisational entity is composed of those three dimensions: the organisation, the team and the individual. Often the 'organisation' and the 'individual' dimensions are considered; but the leverage power of the 'team' dimension is underestimated. Every organisation should invest time considering and developing an approach to each of those three dimensions during a change management project.

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The time when change management just became one more work-stream for every programme or project has passed. It is now time for a new way of thinking about how to get something accomplished

#### 1.2 Exploring resistance to change

### **Misconception #4: Change implementation only has downsides**

Change often requires significant investment in terms of managerial time and energy, as well as financial investment. In most cases, it is seen in a negative light. In Chinese, the ideogram 'change' is made of two words: 'danger' and 'opportunity'; in other words change is considered to be a dangerous opportunity. The 'danger' is often identified quickly, while the 'opportunities' remain more difficult to find.

It is the responsibility of each project manager to show people involved in the change initiative that there are opportunities present.

Change is about people; changing people and the way they behave requires more than a plan and changes to organisation, structures and systems. It takes discipline and courage.

People should be given the opportunity to express their frustrations. In groups of similar grades and concerns, people would be asked to provide a negative statement, and for each negative statement, they would have to provide a positive one. The objective is to let people bring their own solutions to the table.

Defining measurable indicators has proven to be another powerful way to promote change. By defining upfront the rhythm at which the change should be implemented, you are able to assess 'as of when is the change a success' and communicate accordingly with the individuals, teams and organisation.

**Misconception #5: Change resistance exists only at an operational level**

'Change resistance' commonly refers to one of the recurring problems which business executives face in relation to change. The term implies that change resistance exists mainly at an operational level. It conjures up images of strikes where workers protest against strategic changes that have been made by senior management. But is change resistance limited to workers, operational teams, and people 'from the field'?

Change resistance is also to be considered at a 'management level'.

For example, rapid technological change is forcing organisations to adopt new technologies and change the way they work and interact with customers. Changing the way people work has some impact on changing the way managers manage their team.

Both the impact and the scope of the change have to be evaluated beforehand. Depending on the context and organisational environment, a deductive (top-down) or an inductive (bottom-up) approach will be adopted.

**Misconception #6: People resist just because they are reluctant to change**

In a normal distribution, 10% of people in an organisation will always remain reluctant to change in any way. But what about the remaining 90%? People often resist because they do not see the need to change from the status quo.

When justifying why change should happen, it is crucial for leaders to demonstrate that there is an evolution, with the aim being to convince employees. The project manager needs to present the nature of the change to the stakeholders, and in particular to address it in a way that makes sense to them. The key question to ask is 'will it be enough to inspire the employees of the organisation?' Any resistance to change that is expressed is a good thing. According to Professor Alain Vas, academic director of the Change Management executive programme, LSM (UCL)<sup>4</sup>, it not only obliges management to verify and double check their propositions, but it also helps to identify specific areas of difficulty where change seems to cause issues, provides indications to the management on the emotional intensity of the employees towards the change; and finally offers a way to balance negative emotions and encourage employees to think and talk about changes that are being implemented.

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<sup>4</sup> <http://www.uclouvain.be/formation-continue-changement.html>

<sup>5</sup> i.e. the property of a system in which variables are regulated so that internal conditions remain stable and relatively constant.

### Conclusions: challenges and next steps

Every organisation is a dynamic balance of forces regulated by the principle of 'homeostasis'<sup>5</sup>. When explained in this way, it can be understood that change resistance is an absolutely normal reaction, as well as why change management has become a key managerial skill.

A change programme or project requires a clear leader with the power to act, as well as clear project managers with change management skills. The time when change management just became one more work-stream for every programme or project has passed. It is now time for a new way of thinking about how to get something accomplished.

The challenge is to make change management part and parcel of the business plan, and not an add-on that is managed independently. Of course, success requires changes in behaviour from all project team members.

In the 5th century, the Greek philosopher Heraclites stated that 'the only thing permanent is change'. Change is a recurring and inherent part of life, which is why organisations have the 'dangerous opportunity' to embrace change. Effective change management implementation requires analysis, mobilisation and implementation; but it is pre-eminently a mind-set, a permanent intellectual exercise. We should accept it and move towards an increasingly successful change effort.

