



A Contrarian View on Change

If you want employees to embrace change, stop believing that most change initiatives fail.

BY KATE ROCKWOOD

Change is hard. This is the common understanding in corporate culture and in life. Whether chatting with a CEO about a sales strategy or a colleague about a healthy lifestyle plan, we tend to harp on the notion that altering the status quo is fraught with struggles. The subtext of these conversations is that failure is a very real possibility—maybe even a probability.

The statistic most often cited is that 70 percent of all change initiatives fail. That figure can be traced back to an influential 1993 book, *Reengineering the Corporation*, in which engineer Michael Hammer and consultant James Champy posited an estimate that as many as 50 to 70 percent of change efforts do not achieve their intended dramatic results. A *Harvard Business Review* article repeated the brutal fact that 70 percent of change initiatives fail in 2000. This not-at-all-scientific figure has been erroneously repeated countless times since. Today, it is practically corporate gospel.

ISTOCKPHOTO

ISTOCKPHOTO



But here is the kicker: It might not be true.

Nick Tasler, an organizational psychologist and author of *Ricochet: What to Do When Change Happens to You*, has spent years digging into and dissecting the topic. Mr. Tasler points out that more recent research indicates about 38 percent of transformations are successful, according to the executives involved, while another third were somewhat successful. Only 1 in 10 executives deemed their efforts a total failure—a far cry from 70 percent.

In a quest for real-talk rhetoric, we seem to have overcorrected. “I don’t believe in sugar-coating, so I’ve been as guilty as anyone else of saying, ‘Hey, we can do this change, but it’s going to be really, really tough,’” says Mr. Tasler, CEO of the global management think tank Decision Pulse. “We all want to give our people realistic expectations. The problem is that the research shows the risk of failure isn’t as high as we think it is.”

Sunk Before You Start

The tendency to overstate the likelihood of

negative outcomes leads to a larger problem, Mr. Tasler says. If employees believe the oft-repeated idea that most change initiatives are doomed, their cognitive bias will hurt the chances of success. This truth traces its roots to behavioral economics. The discipline has proven that we humans hate the feeling of losing more than we enjoy the sensation of winning. We can get knocked off track by even a minor barrier.

Two kinds of cognitive distortions—minimization and magnification—also come into play when leaders highlight a high likelihood of failure. In these cases, workers minimize good results as luck while viewing small setbacks as indicative of systemic problems. Psychologists have found that these tendencies can create a self-fulfilling prophecy of disappointment, hopelessness and failure.

University of Chicago researchers demonstrated this negativity bias across 10 studies last year: People widely interpret poor results as true and official and wrote off positive outcomes as flukes. The upshot for managers? Workers told

“We all want to give our people realistic expectations. The problem is that the research shows the risk of failure isn’t as high as we think it is.”

—Nick Tasler, CEO, Decision Pulse



that a transformation will be arduous and probably unsuccessful will demonstrate little to no resilience when setbacks occur.

The first step to preventing this problem, Mr. Tasler says, is to acknowledge the effort change will require without referencing low (and incorrect) success rates. “Look, change does require significant effort—just like having children requires significant effort and losing weight requires significant effort,” he says. “That doesn’t mean no one manages to parent well or lose 10 pounds. Most humans manage to adapt.”

People do not intrinsically hate trying hard; they hate trying hard when failure is a given. Executives must not shy away from the truth that any transformation initiative requires effort, and they must explain that some degree of success is highly likely.

From Rhetoric to Reality

Framing the change initiative with factually

correct and cautiously optimistic rhetoric is a crucial starting point. But leaders must put forward a clear and practical plan for execution, Mr. Tasler says. This means they need to be ruthless about establishing several “sprint” goals that require focus and dedication for 30 to 90 days. Relegate everything else to a waiting list, he says, to be tackled later in the year.

From enterprise corporations to smaller startups, this system is successful at most organizations because behavioral economists have shown that people are more likely to achieve manageable, small goals, whether they are based on health, money or relationships. By successfully reaching the first goal and moving on to the next one, people can accomplish tremendous change that would have paralyzed them if presented as a single, sprawling objective.

The problem is that in our current corporate age of disruption and disintermediation, executives love to call attention to massive



“Heroes in almost every story, from Simba in *The Lion King* to Luke Skywalker in *Star Wars*, endure a journey to a lonely and scary place. But they always adapt and emerge stronger, braver and wiser.”

—Nick Tasler

challenges and change objectives. Employees often are left without small pieces on which to focus. “The disconnect is that top-level leaders talk about workers’ need to be agile, but the message that’s conveyed to them is that management is clueless,” Mr. Tasler says. “The employees who have to execute the work think, ‘Every three months there’s some new idea and some new joker coming in with a new system.’ They have no idea what to do, so they don’t do anything.” That’s why creating a sprint list is critical, he says.

To prove his point, Mr. Tasler points to a seminal study by psychologist Salvatore R. Maddi. Dr. Maddi followed a large group of employees at Illinois Bell as deregulation rocked the formerly unassailable company in the 1980s. While layoffs rained down and ingrained workflows evaporated, the remaining employees took two different paths.

About two-thirds focused on the big-picture chaos and were rendered incapacitated, hamstrung by worry and strife. These people developed medical problems, watched their home lives deteriorate and suffered physically and psychologically. But about a third, Dr. Maddi noted, worked right next to these poor souls but were better adjusted. That is because they focused on small steps they could take every day to do their job and help their customers. This helped them ignore the swirling turmoil.

The Bell employees who fell apart engaged in what Mr. Tasler calls worry walls: self-made barriers we construct to separate us from the uncomfortable uncertainties associated with change. By fixating on the worst possible outcome while simultaneously obsessing about the good old days, people build up a psychological wall that prevents them from seeing a future.

If an organization is embarking on a major transformation initiative, Mr. Tasler recommends that managers ask “and-then-what”

questions to prevent employees from catastrophizing to the point of paralysis. By voicing their worries (e.g., “What if we lose our biggest client?”) and thinking about what would happen next, workers can enter a mindset conducive to small-step actions instead of unproductive paralysis.

Executives should celebrate small victories to push the change process along, Mr. Tasler says. He points back to the recent University of Chicago studies: While participants suffered from a negativity bias, the researchers found this bias was easy to flip with the right kind of management. Simply by reminding them that most people improve with effort, researchers found that the participants more quickly noticed changes for the better.

Provide a Purpose

After framing a transformation clearly, breaking it down into manageable goals, guiding employees through their inevitable worry walls and celebrating small wins, there is one final step toward effecting successful change. Managers must imbue the process with meaning and purpose. That way, when things get tough—and they almost certainly will—people have a reason to persevere. Mr. Tasler says heroes in almost every story, from Simba in *The Lion King* to Luke Skywalker in *Star Wars*, endure a journey to a lonely and scary place. But they always adapt and emerge stronger, braver and wiser.

The same can hold true for employees, whether they are facing an organizational chart reshuffle or merger. Knowing there is a purpose beneath change is key. Time spent in the scary space—Mr. Tasler calls it the belly of the whale—drives adaptation. “And when we get out,” he says, “we’re ready to embrace the opportunities still ahead regardless of what we left behind.” **IQ**

ISTOCKPHOTO