OPINION

SUCCEEDING AT LARGE-SCALE CHANGE

How successful has your company been in implementing large-scale changes such as a new strategy, a new enterprise-wide IT business system, the introduction of a new project management approach or something else?

If you said, the changes were moderately successful you're not alone.

Large-scale change success rates are average at best and often worse. This is confirmed by decades of research[1] that analyzed numerous large-scale changes at companies. Often times, introduction of new practices or methodologies quickly stall after the initial introduction or halfway into the implementation.

However, there are a few companies that successfully implement large-scale changes rather well[2]. But it is not the norm. Why do only a few companies succeed when most others have not?

In this article, we will explore why large-scale changes have failed in the past and provide tools on how you can improve the success rate of these changes at your company.

THE NATURE OF THE CHALLENGES

Because there are many dimensions that determine the ultimate success of a large-scale change effort[3], it should not be surprising that there are also typical phases where the risks in "getting it wrong" is higher.

The three phases where the risks exist are:
1. Awareness of what is going on,
2. The selection and design of the solution
3. The execution of the solution.

AWARENESS

Experienced business executives and business leaders conceptually understand that large-scale change involves multiple dimensions such as business context, organizational structure, processes, culture, motivation, accountability etc.

One example that represents some of these dimensions is Gleichner's popular representation:

$$D*V*F>R$$

Where : **D**= Dissatisfaction with current situation
V= Vision of what is possible **F**= First concrete steps towards vision are credible; **R**= Resistance

The formula implies that D, V and F need to be addressed simultaneously in order to overcome resistance. It is not sufficient to address just one or even two dimensions. ALL of these dimensions are important and need to done correctly. How much work is put into each dimension depends on the individual organization's context. Additionally, if one of the three critical dimensions is weaker, the organization must work harder on the remaining two dimensions to compensate for the weaker dimension.

SELECTION OF SOLUTION

Often times, companies use specific models, such as PROSci, ADKAR, Lewin, Kotter, LIFO, Burke-Litwin, 7S, and more to implement changes. However, despite having over the 40 different models developed over the last 30 years, overall implementation success rates have not improved. This is not to say that an appropriate change management model is not useful, but this shows that implementing the model alone is not sufficient in itself.

These types of models are mostly guides to management teams on how to engage their organization to create the changes. For example, as part of the designed solution, a culture assessment or employee survey is often conducted. However, various practitioners have pointed out that popular culture assessments often miss critical themes in the organization. The reason is that each organization is truly unique in terms of business context, economic challenges, distribution of power and authority. Models can only provide a limited amount of guidance, but it's up to the organization to further analyze their organization and determine the root issues.

For example, when codified assessments are used, they should be complemented by personal interviews to enhance the quality of interaction and dialogue needed to boost awareness and motivation amongst staff and employees for the change. Organizations have a tendency to circumvent interviews by using surveys, which doesn't provide the necessary insights needed by management teams. Additionally, after assessments are conducted, employees are often left in the dark on the rationale behind the selection of the solution, which can potentially hamper implementation efforts as the employees won't have a clear understanding of the big picture rationale for the change and may be resistant to the change.

EXECUTING THE CHANGE EFFORT

This is one of the most critical pieces within implementing large-scale changes. Engaging the employees throughout the process and monitoring the engagement of employees are critical elements that determine the success of implementing the changes. This is primarily because the employees are the ones who have to maintain the organizational change in their day-to-day activities.

However, many organizations' efforts to create large-scale changes lose a lot of engagement or interaction during the process because the organizations do not monitore the process properly or make relevant adjustments during the rollout phase. To be successful, companies must take an active role in governing the change effort, including tracking and adjusting the implementation based on the stakeholders level of engagement. And, as noted before, apart from the functional challenges, one of the biggest is to plan, execute, and adjust for moving parts and get it all right.

WHAT CAN BE DONE NEXT AND BETTER?

Given the above experiences and insights on change efforts, it is critical that organizations get the "big picture" design right and can execute against all requirements efficiently over a multi-year period. The specific assessment tools and change management methodologies management teams can elect to make part of the change effort is of secondary impact. However, some of the critical requirements necessary during the implementation of large-scale changes are listed below.

THE "GRAND DESIGN" REQUIREMENTS

Employee Engagement: It is important to have increased employee and management involvement in assessing their own unique situation during the awareness and solution phases. Leadership and management must engage the associates and be a part of the overall effort to improve the overall performance. They must inspire, empower and motivate their associates to make the changes in alignment with the new direction.

Two-way Communication: Ensuring a cascading, two-way communication mechanism, exists between executive leadership, management and employees over the duration of the change period is critical to success. The challenge is having employees in the organization implement the changes. This requires employees to thoroughly understand the changes and to actively work with management and leadership throughout the new process.

Monitoring System: The ability to monitor and manage many moving parts in a multi-year change management effort across different departments and stakeholders is also needed. This requires having the right people, who understand how to integrate project management with change management, lead the process.

Without engagement, communication, and a monitoring system, the effectiveness of implementing large-scale changes diminishes. What matters most is to make sure there is a clear path to reaching the new vision and to actively include the employees throughout the process.

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