8 Keys to Making Change Work

LEADING SUCCESSFUL CHANGE

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Introduction

Why Change Initiatives Fail

We live in a world of permanent change—one in which, whatever job title you hold, your real job is in fact change. Yet the majority of efforts to change organizations fail, at enormous cost to these enterprises, their members, customers, and stakeholders. Unfortunately, study after study, decade after decade, reports similar findings, namely that between 50% and 75% of change initiatives fail. The notes for this chapter reference nine such studies, from 1994 to 2010.

Our own travels have also shown us that most change initiatives fail, but whatever the exact number, failure—not success—is the norm. We have known each other for nearly 40 years. We have collaborated in the changing of organizations for more than 20. We help leaders change their organizations in order to reach new performance heights or to adapt to a turbulent environment. In combination, we have done this work for more than 60 years in a wide range of industries: manufacturing, telecom, health care, financial services, power, information services, government, professional service firms, and education. We have worked with US and international
companies, start-ups and turnarounds, unionized and non-unionized, and with privately held, publicly traded, and public sector organizations. We have worked at all organizational levels: shop floor, supervisory, managerial, C-suite, and board of directors. For more than 20 years, Greg has served on the faculty and as director of Wharton's semiannual executive education course, Leading Organizational Change. We’ve written this book because so many people invest so much in changing their work groups, departments, service lines, strategic business units, and organizations, and so many fail, at great cost to organizations, communities, individuals, and families.

Why do so many attempts at organizational change fall short? Certainly not for lack of advice. In fact, there is an entire industry based on exploring this subject, one that touts an array of approaches: tell stories, make change a priority, “walk the talk,” and ponder parables about mice and cheese or penguins and icebergs. Many of the most popular books on change address its psychological aspects, and focus on people and their internal states or motivations—and they address both well. These ideas matter and can prove most useful. This psychological perspective taken alone, however, can promote the belief that the success or failure of any given organizational change effort comes down to motivating individual members of the organization and that, correspondingly, a leader’s primary job comes down to inspiring the troops. Such a belief can easily lead to unfortunate attributions whenever individuals don’t change, namely marking individuals as the problem. The person receives the label “resistant,” and perhaps the leader becomes stigmatized as “uninspiring.” We contend that altering the attribution and
recasting the challenge of resistance significantly improve the likelihood of success.

Nor is failed change necessarily a problem of lack of commitment. You may have led a failed change, whether big or small, even after doing so much right: You did your discovery work. You scanned your world. You developed a sense of urgency. You physically felt the need to change. You made the case (over and over), delineated a strategy, and lined up the powers that be. Yet the change did not happen. It remained uncoupled from the day-to-day operation of the organization, both in design and in execution. The change turned into a shadow of itself or even less and then slipped away, leaving remnants, lost credibility, and numerous casualties. So, just what was the problem? What should you have done differently? What do you need to do differently next time?

We contend that change efforts fail for two reasons:

1. Leaders present vague and abstract change objectives: “Improve communication between caregivers and patients and their families” or “Increase profitability.” Phrases like these mean different things to different people. They do not specify what to do or how to change. They do not focus on the key aspect of organizational change: the required behavior of individuals.

2. Leaders underestimate the power of the work environment to precipitate or stall change. Many change efforts lack a coordinated or aligned approach to designing the work environment. One aspect of the environment tells people
to make a change, while other aspects of the environment signal to people to continue to act as they always have.

Based on these insights, we present an approach to change that involves focusing on the behaviors that you want from people and designing the work environment to facilitate those behaviors. In this book, we first show you how to think about desired behavior, and then walk you through how to design the work environment using 8 Levers of Change, a comprehensive approach to creating a clear and direct objective and systematically altering the work environment to bring about the desired change.

The ideas presented here derive from the Work Systems Model developed by Shea and Associates, Inc., which is based on systems thinking and sociotechnical theory. Systems thinking is the process of understanding how one part influences both another part and the whole. Nature provides the example of an ecosystem in which each of the various elements—air, water, plants, animals, movement—affects the existence of the other. Like ecosystems, work environments consist of various elements that combine to make a system healthy or unhealthy.

Organizational researchers Eric Trist, Ken Bamforth, and Fred Emery coined the term sociotechnical systems in the 1950s, when they worked as consultants at the Tavistock Institute in London. (Later, Trist and Emery continued their work at the University of Pennsylvania.) Sociotechnical refers to the interrelatedness of social and technical aspects of an organization. The Work Systems Model focuses on the behaviors that change should produce and the changes in the various aspects of the
environment or work systems necessary to facilitate those behaviors. Once change leaders learn to be system thinkers, they can begin to see that some systems facilitate the desired change and some inhibit it.

In the chapters that follow, we will show how to identify not the behaviors you are seeking to change, but rather, those behaviors you want to see in place when your change is complete. We’ll introduce you to the 8 Levers of Change, and offer compelling case studies in which those Change Levers have been pulled in creative combinations to defy the odds, break the failure norm, and bring real and much-needed change to enterprises in danger of being swept away by the swirling turmoil every business faces today.

Please don’t misunderstand: transforming an organization isn’t for the faint of heart. Doing so takes patience, discipline, even courage. But it can be done. It has been done successfully, time and again, following the approach we lay out here. And you can do it.

Finally, some advice on how to read this book. Pick a change initiative you’ve championed, led, or were caught up in that didn’t work out. Make some notes to yourself on why you think it failed and keep those at hand. Next, in another set of notes, create a profile for a significant change you would now like to make. Maybe globalization has created yet another threat or opportunity. Perhaps shifts in taxes, tariffs, regulations, or a political regime have cracked open, redefined, or closed off markets. You might need to act because a major competitor has demonstrated an unanticipated strength or weakness—or because your own organization has developed or lost a key capacity.
Regardless, jot down a few comments about the nature of the change you seek and why it matters to you today. Then, as you move through this book, consult and expand your two sets of notes. Test the contents of this book against your own experience. See if a future begins to unfold that is better than the past failure. We think one will.

The times are not just a-changin’. Our era is dominated by the reality that change is constant. We all need to get better at it—and sooner rather than later. You owe yourself and the people depending upon your leadership no less. We offer you this book in that spirit.

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