****

**4 Tips for Managing Organisational Change**

Launching major transformation efforts is a common way that business leaders try to get a leg up on the competition, or just keep their heads above water. But too many of these efforts fail. Change is difficult, and many people not only resist it but seek to undermine it. Unsurprisingly, then, a [McKinsey study found](https://www.mckinsey.com/business-functions/organization/our-insights/how-to-beat-the-transformation-odds) that merely 26% of transformation initiatives succeed. Most successful transformations have one thing in common: Change is driven through empowerment, not mandated from the top.

From research of transformative political revolutions, social movements, and organisational change, successful efforts not only identify resistance from the start but also make plans to overcome those who oppose the transformation. And it’s done not with bribes, coercion, shaming, or cajoling, but by enabling others within their organisations to drive change themselves. Here’s how they do it.

**Start with a small group.**

Typically, leaders launch transformation efforts with a large kick-off. It makes sense: They want to build momentum early by communicating objectives clearly. This can be effective if a ready consensus already exists around the initiative. Yet if the desired change is truly transformational, it is likely to encounter fierce opposition; inertia can be a powerful force, even more powerful than hope or fear. So, by starting with a large communication campaign, you are very likely to harden the opposition of those who are sceptical of the change.

Most successful transformations begin with small groups that are loosely connected but united by a shared purpose. They’re made of people who are already enthusiastic about the initiative but are willing to test assumptions and, later, to recruit their peers. Leaders can give voice to that shared purpose and help those small groups connect, but the convincing has to be done on the ground. Unless people feel that they own the effort, it’s not likely to go very far. For example, when Wyeth Pharmaceuticals set out to drive a [major transformation](https://www.gsb.stanford.edu/faculty-research/case-studies/wyeth-pharmaceuticals-changing-mindsets-behaviors-17000-people-one) to adopt lean manufacturing practices, it began with just a few groups at a few factories. The effort soon spread to thousands of employees across more than a dozen sites and cut costs by 25%.

**Identify a keystone change.**

Every change effort begins with some kind of grievance: Costs need to be cut, customers better served, or employees more engaged, for example. Wise managers transform that grievance into a “vision for tomorrow” that will not only address the grievance but also move the organisation forward and create a better future. This vision, however, is rarely achievable all at once. Most significant problems have interconnected root causes, so trying to achieve an ambitious vision all at once is more likely to devolve into a five-year march to failure than it is to achieve results. That’s why it’s crucial to start with a keystone change, which represents a clear and tangible goal, involves multiple stakeholders, and paves the way for bigger changes down the road.

**Network the movement.**

All too often we associate any large-scale change with a single charismatic leader. The U.S. civil rights and Indian independence movements will always be associated Martin Luther King Jr. and Mohandas Gandhi, respectively. In much the same way, turnarounds at major companies like IBM and Alcoa are credited to their CEOs at the time, Lou Gerstner and Paul O’Neill.

The truth is more complicated. King, for example, was just one of the “[big six](https://en.wikipedia.org/wiki/Big_Six_%28activists%29)” of U.S. civil rights leaders. Gerstner gained allies by refocusing the company around customers. O’Neill won over labor unions by making a serious commitment to workplace safety. These examples show why, in his book [Leaders: Myth and Reality](https://www.amazon.com/Leaders-Myth-Reality-Stanley-McChrystal-ebook/dp/B07BJMFXZ5/ref%3Das_li_ss_tl?ie=UTF8&linkCode=sl1&tag=digitont-20&linkId=e1c75eba3a5d9eae077568ac47d812d3&language=en_US), General Stanley McChrystal defines effective leadership as “a complex system of relationships between leaders and followers, in a particular context, that provides meaning to its members.”

Every large-scale change requires both leadership at the top and the widening and deepening of connections through wooing — not coercing — an ecosystem of stakeholders.

**Surviving victory.**

Often the most dangerous part of any transformation effort is when the initial goals have been met. That’s why successful transformation leaders focus not only on immediate goals but also on the process of change itself. If Wyeth had stopped at a 25% cost reduction, it would have soon found itself in trouble again. But because its employees embraced the lean manufacturing methods, the company was able to keep moving forward.

In some cases, the benefits of a successful transformation can last for decades. Remembering Gerstner’s IBM turnaround in the 1990s, one of his top lieutenants, Irving Wladawsky-Berger, told Greg Satell, writer for Harvard Business Review, “Because the transformation was about values first and technology second, we were able to continue to embrace those values as the technology and marketplace continued to evolve.” After a near-death experience, the company remains profitable today.

4 Tips for Managing Organisational Change

Greg Satell

HBR, Aug 2019