



Organisational Change Survey

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INTRODUCTION

This survey took place during November and December 2015.

The impetus for the survey came from a request from a client to give a talk about the key success factors for organisational change. Unable to find much independent and publicly available research on the topic, I decided to do my own.

In total, I had 159 usable responses. Of those, 79 identified themselves as IT specialists or IT/Business hybrids. This 50:50 split might look suspiciously even but had I invented it, I would have made it a more uneven split!

Respondents came from two sources. First, from contacts on LinkedIn and second from the British Computer Society ELITE (Effective Leadership in IT) Group who were kind enough to ask their members to respond. [110 responses were from ELITE].

I had originally, circulated the survey quite widely but, on reflection, decided to only include respondents that I could validate as experienced change practitioners, either through LinkedIn or their membership of ELITE.

Thank you to everyone who generously gave up the time to complete the survey. Particular thanks to Jon Hall, the then Chairman of ELITE, for suggesting that ELITE supports the survey and to Chris Tiernan, ELITE Membership Secretary, who helped me knock things into shape.

Gary Lloyd, London, February 2016

SUMMARY

A core finding was that change is ineffectively managed and fails to deliver business value. 70% of people stated Change failed to meet sponsor expectations.

When asked how much of the **expected value** was delivered, for initiatives in which they had personal involvement, over half of respondents said half or less value was delivered and **three-quarters of people said that 60% or less of expected value was delivered.**

72% of respondents said that organisations are more like ecosystems than machines but that the majority of organisational change initiatives took an approach consistent with a machine view.

A host of comments and stories demonstrated that the **predominant approach is big-bet, top-down initiatives** that either press on with an inflexible Plan A, regardless of the results, or simply run out of steam and will-power.

“...the cost budget was reduced. As the streams progressed, each experienced cost overruns and we have yet to realise any benefits despite being 9 months into the benefits realisation time frame.”

Many respondents reported that the underlying problem and/or the goal were ill-defined and the rationale badly-communicated. **The most frequent mantra is “buy-in” rather than the genuine involvement of those affected.**

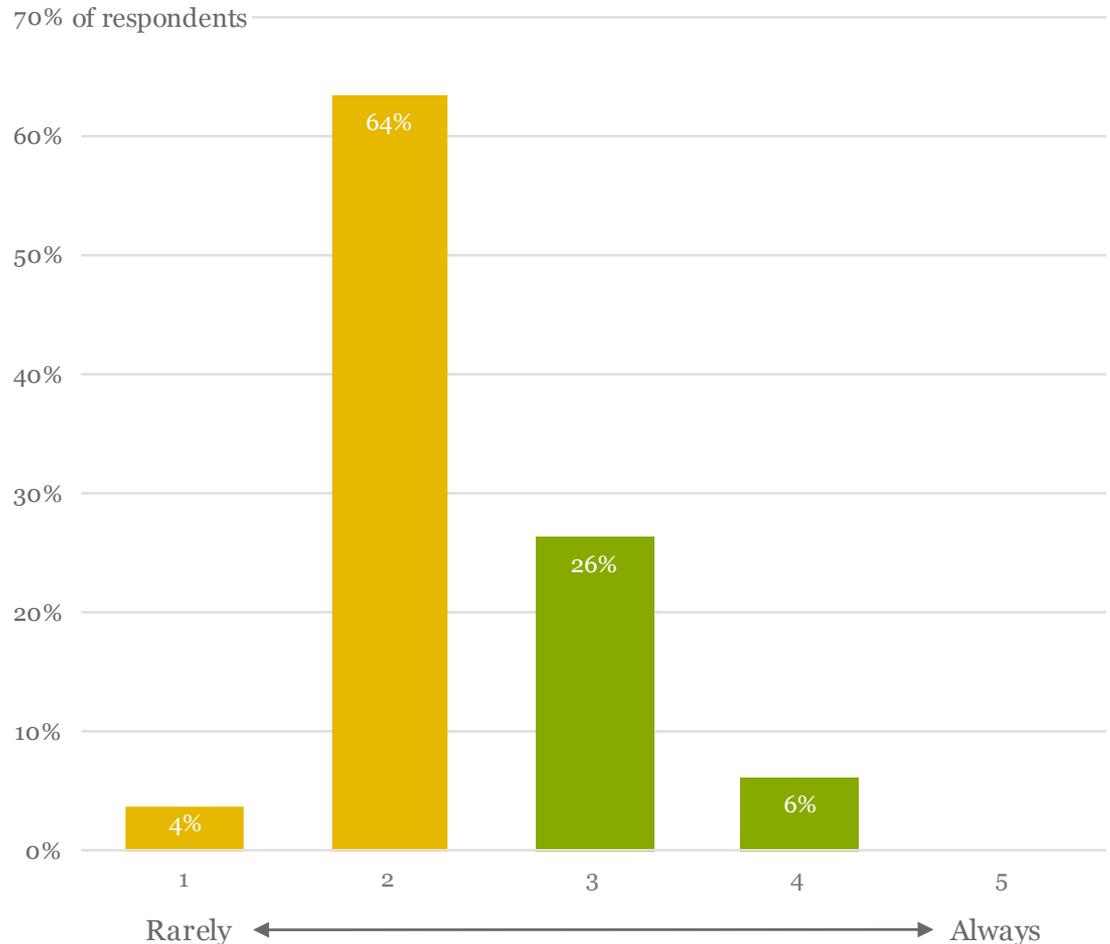
There were oases of success and the most common view was that these were built on the full involvement of those affected by change and a flexible, listening and learning approach.

CHANGE INITIATIVES RARELY MEET SPONSOR EXPECTATIONS

Q. In your experience, how often do organisational change initiatives deliver what their sponsors expect?

This was the most general question in that it effectively asked about respondents' general impressions. Clearly, this could be influenced by colleagues or media stories.

On a scale of 1 to 5, where 1 was "rarely meets expectations" and 5 was "always meets expectations", **only 6% of people scored a 4 and no-one scored 5.**



OVER HALF OF RESPONDENTS SAID THAT HALF OR LESS OF EXPECTED VALUE ACTUALLY DELIVERED

Q. Thinking about change initiatives in which you have had a personal involvement, on a scale of 0% to 100%, what proportion of expected value do you think was delivered?

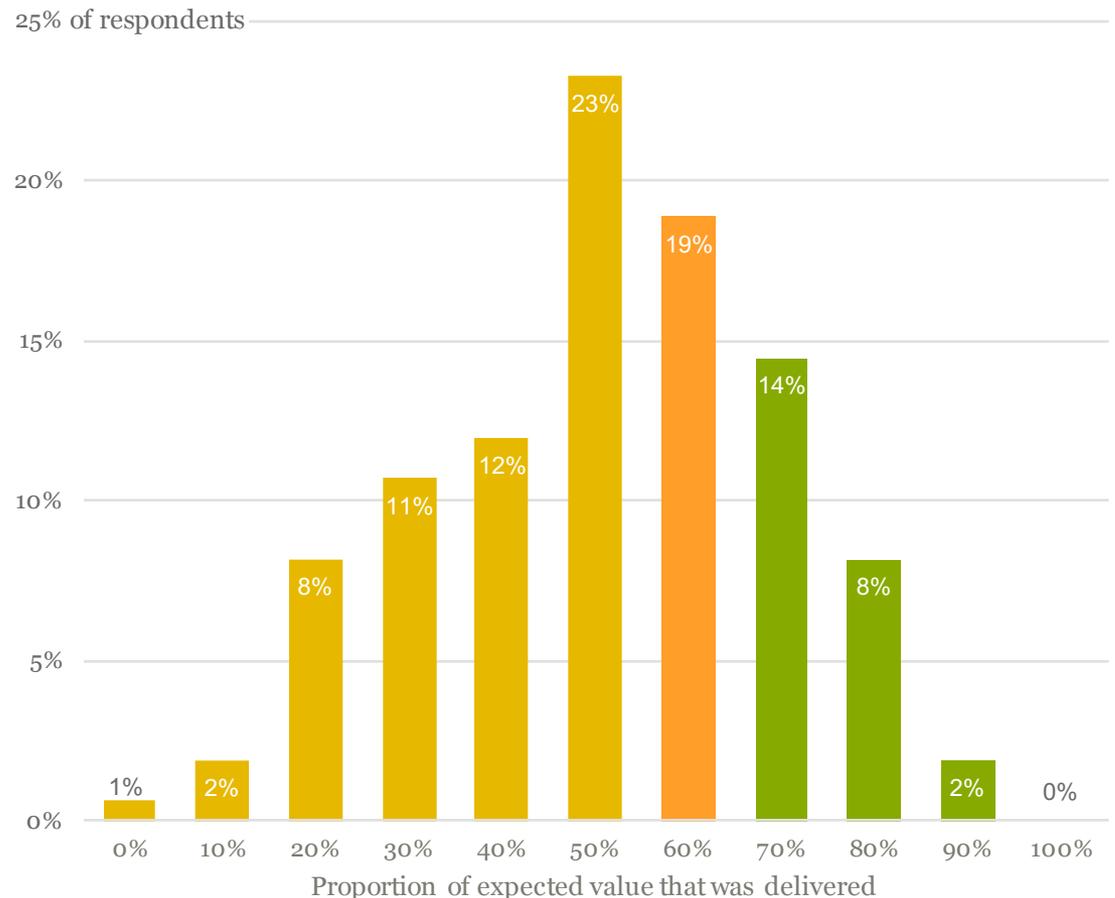
57% of people said that half or less of the expected value was delivered. Push the value threshold up a notch and fully 76% of people said that the value delivered was only 60% or less than that expected.

There were two important differences between this and the first question.

1) Respondents were asked about initiatives in which they were personally involved.

2) They were asked about the proportion of expected value delivered, rather than the more abstract “expectations”, as in the first question.

In addition, respondents were asked whether they would illustrate their answers with examples and most were happy to do so. These examples were critical in informing the conclusion in this report.



ORGANISATIONS ARE LIKE ECOSYSTEMS BUT CHANGE INITIATIVES ASSUME THAT THEY ARE LIKE MACHINES

Q. Are organisation more like machines or ecosystems?

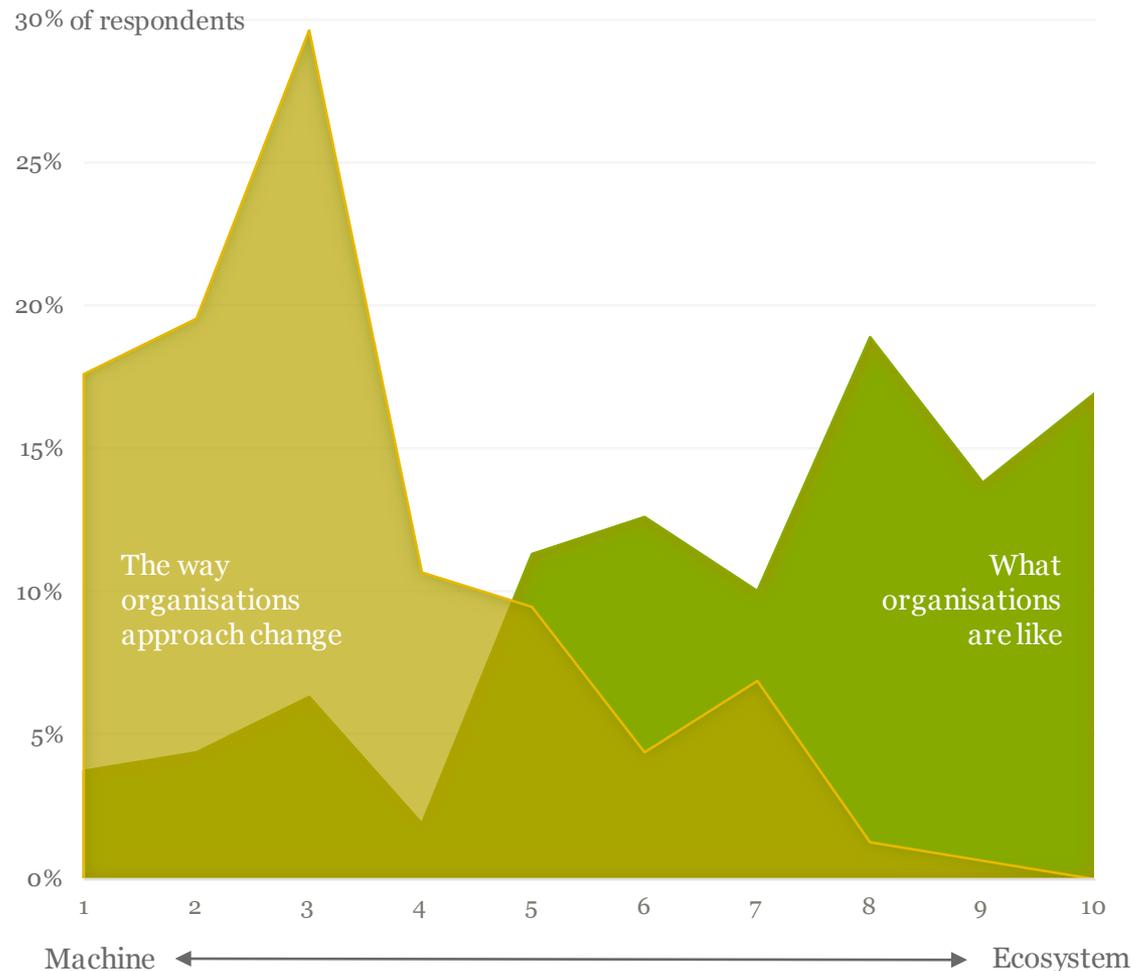
Q. Do organisations approach change as if organisations were machines or ecosystems?

Most people were comfortable using the machine versus ecosystem metaphors to compare belief and practice.

The majority of respondents believed that organisations are more like ecosystems than machines. A similar majority, however, believe that organisations usually approach change as if they were machines rather than ecosystems.

The corollary of that is that organisations assume that they can predict and control but reality is more complex and unpredictable.

This view is strongly supported by the comments and stories, the majority of which bemoan the approach that organisation take towards change.



MOST PEOPLE SAID THAT ORGANISATIONS ARE MORE LIKE ECOSYSTEMS THAN MACHINES

78% of people reported that there was a gap between how they saw organisations and how organisations treated change initiatives.

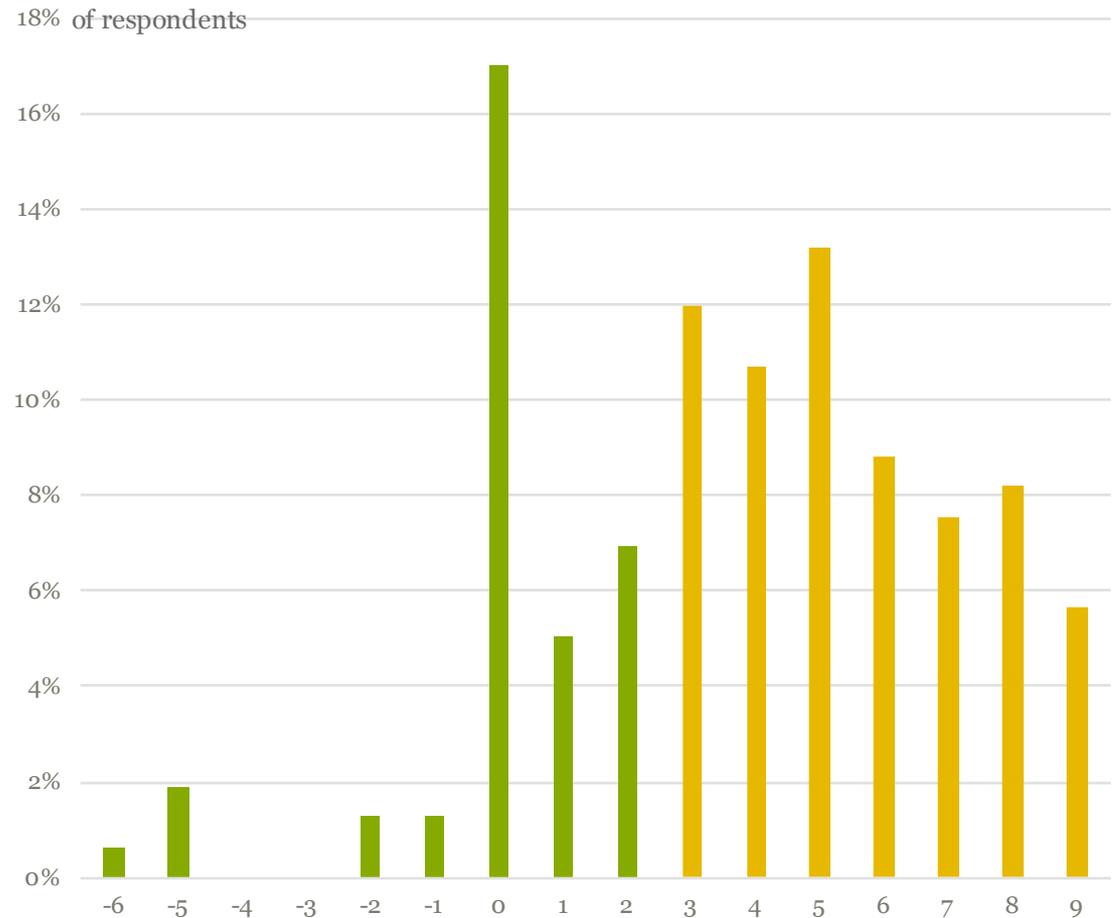
Let's say a respondent said that in a scale of 1-10, they thought organisations were towards the ecosystem end of the spectrum and scored 7.

Now let's say that same person said that when it comes to change initiatives, the organisation behaved towards the machine end of the spectrum and scored 3.

Deducting 3 from 7 describes the gap between the nature of organisations and how organisations actually behave (the belief –practice gap).

The graph shows for two-thirds of people, that belief-practice gap is 3 or more for 78% of people, it was greater than zero.

The negative scores are the 4% of people who think that organisations are more like machines than ecosystems.



GETTING A GOOD OUTCOME IS ALL ABOUT PEOPLE

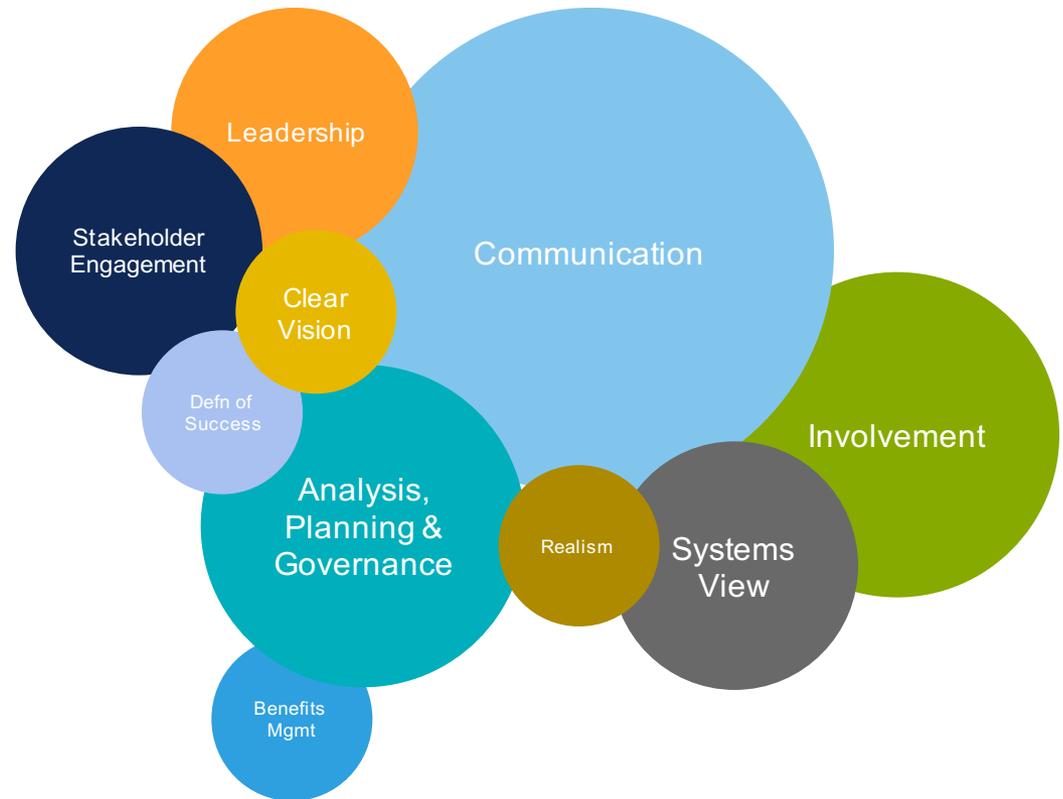
Q. What do you think is the most important thing to get right when planning or executing change?

The answers were grouped into themes and the number of answers in each theme were counted. The volume of answers for each theme is reflected in the diameter of each circle.

You'll notice that there is a distinction between communication and involvement. The former tended to be more about getting "buy-in" and the latter about "co-creation".

This made it seem that people might be contradicting their ecosystems versus machines responses. But the answers on the next page (together with the examples) show this wasn't the case.

It does, however, show how easy it is to drift back into top-down control thinking than achieving collaboration through involvement



Note: these themes came from analysing the content of what people said in their free-form text responses. They were **not** derived from a pre-chosen multiple choice list.

OVER OPTIMISM IS PREVALENT FOR CHANGE INITIATIVES

Q. And what do you think is the biggest mistake that organisations make when trying to make change happen?

Involvement was the predominant theme for this question, with “communication” usually mentioned in the context of involvement, rather than “getting buy-in”, as was the case with answers to the previous question.

In addition to this change of framing, the most striking feature of these answers was the arrival of “underestimating the difficulty” as a major failing.

“Underestimating everything except their own capability and capacity”.



VIEWS OF IT PROFESSIONALS AND NON-IT PROFESSIONALS ARE REMARKABLY SIMILAR

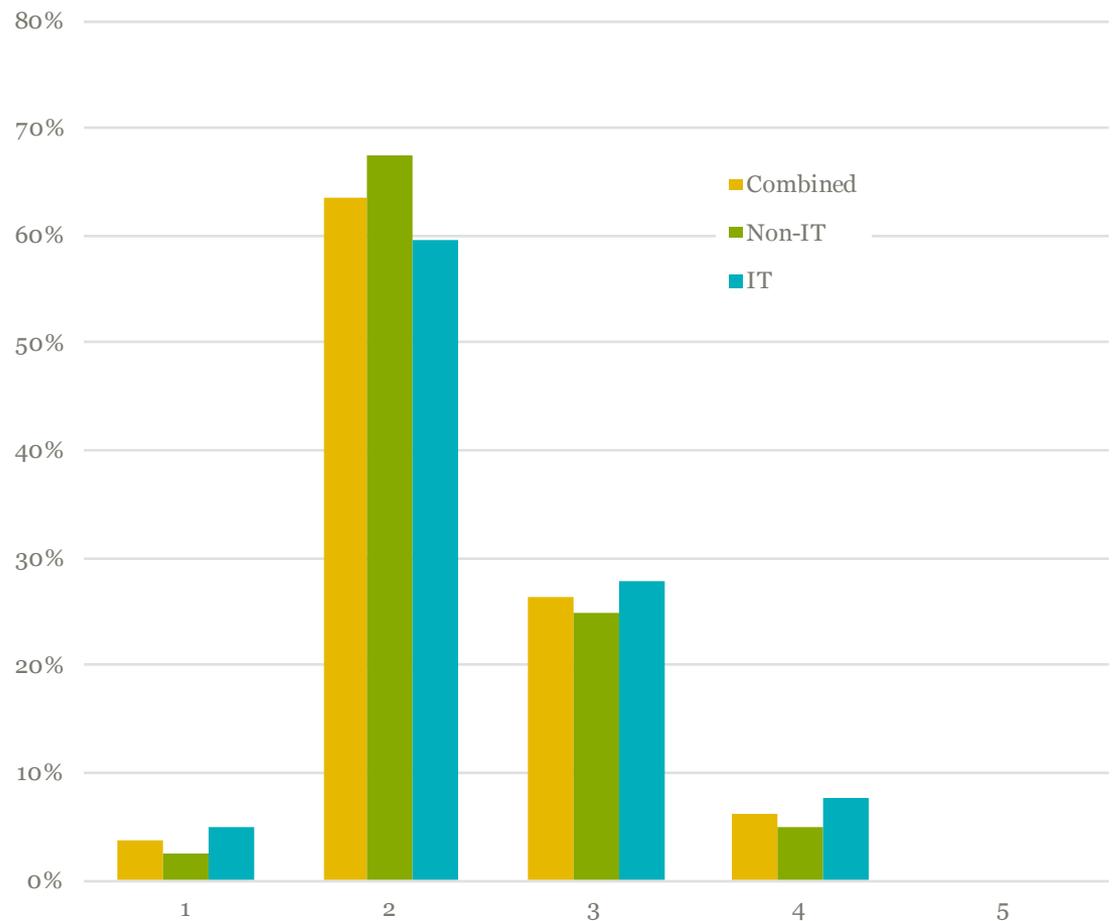
By way of illustration, responses to the question reported on page 5, about sponsor expectations, were very similar for IT versus non-IT, as were answers to all other questions.

Around half of respondents identified themselves as either IT professionals or IT/Business hybrids.

For each question, the answers of the IT professionals were compared to the non-IT respondents.

As this graph illustrates, the results were remarkably similar.

For the statistically-minded, page 18 shows the comparisons of mean, median and mode for each question.



LESSONS FROM SURVEY

The survey shows that there is frequently a rush to get results planned-in before figuring out how to deliver them. This lack of a firm foundation is compounded often by over-optimism and an unwillingness to adjust, in the light of feedback.

However, if organisations are more like ecosystems than machines, then a plan and control approach is simply not going to work. At West Point Military Academy they quote the legendary Prussian general, Helmuth Graf von Moltke, who said that:

“No battle plan survives contact with the enemy”.

The key difference between ecosystems and machines is one of predictability. While a machine's outputs can be predicted from its inputs, an ecosystem is a complex network of internal and external connections that make outcomes difficult to predict.

In practice, this means taking an approach that has an overall strategy but in which we learn by doing, “sensing and responding” rather than “planning and controlling”.

Approached creatively, this sort of approach actually accelerates rather than back-ends value delivery. Early “experiments” deliver value and those that are not going to deliver value are pruned, before the money is wasted.

Sceptical and impatient sponsors soon soften when value begins to flow in a steady stream.



Picture of Von Moltke courtesy of wikimedia.com

SO WHAT CAN WE DO DIFFERENTLY?

The very first thing is that there needs to be an **adult conversation** between sponsors and project teams that acknowledges the uncertainty inherent in every project.

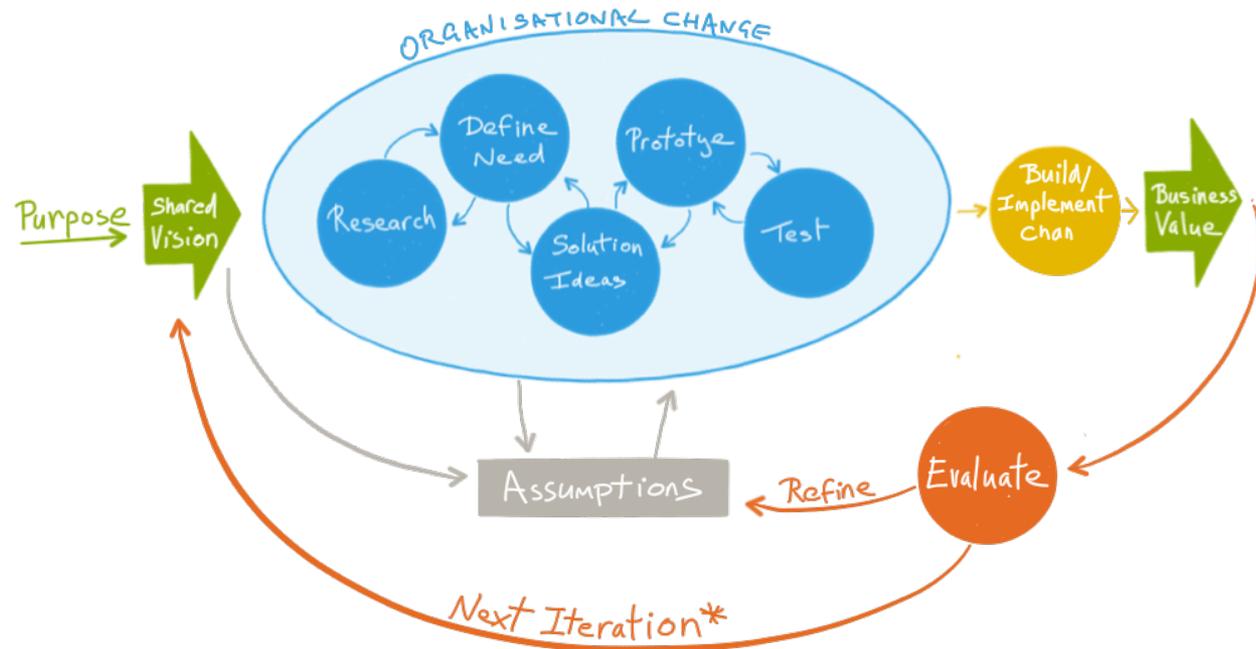
Next organisations need to acknowledge that **they need to take an approach in which uncertainty is a given** and that we should plan to deal with it, rather than pretend it doesn't exist.

Characteristics of this sort of approach are:

- A shared understanding of the project or programme
- An unambiguous definition of value to be delivered and how it will be measured-
- A shared vision for the project or programme that guides all action.
- Keeping key business case assumptions visible and checking them regularly
- Easy to learn tools for those at the sharp-end, to capture and validate ideas.
- Creating lots of fast, cheap prototypes with clear learning objectives.
- Not starting a significant project without validating expected value through pilots.
- Continuing to run the pilots, while projects are running, because the world changes
- Not assuming that successful pilots in one place will be successful in another.
- Breaking projects into smaller pieces that deliver business value.
- Never hesitating to cancel non-performing projects.
- Investing money to engineer loosely coupled solutions, projects and programmes.

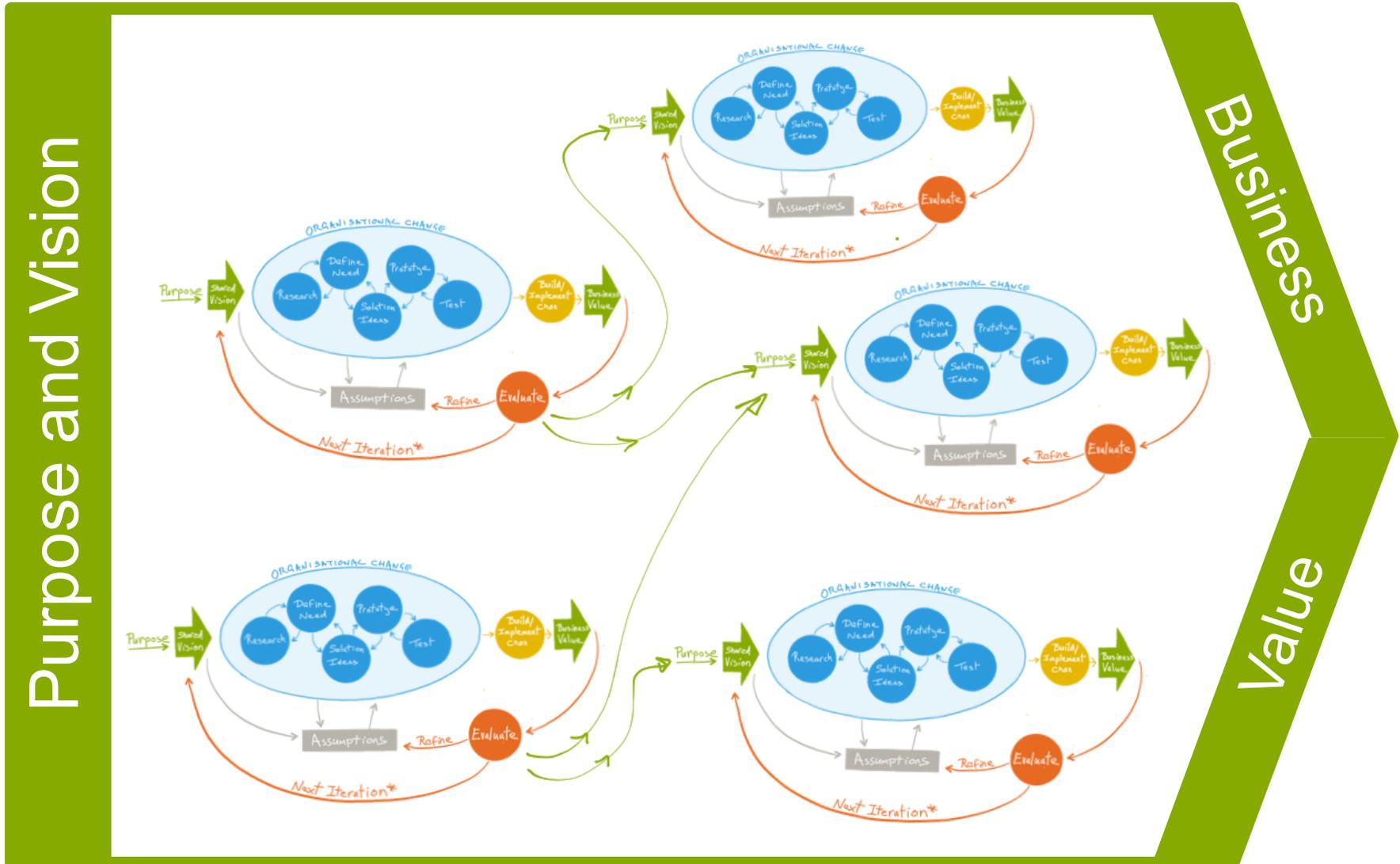
WE CAN DESIGN PROJECTS FOR UNCERTAINTY AND LEARNING

We can ensure that our projects and programmes contain *feedback loops* to tackle uncertainty...and we never fail to stop a project when it no longer makes sense to continue.



* Each iteration delivers usable business value that takes us towards fulfilling the project purpose and vision

CHANGE INITIATIVES CAN BE DESIGNED AS LOOSELY COUPLED PROJECTS, EACH CONTRIBUTING TO OVERALL VALUE



TOWARDS A CHANGE PLATFORM

There will always be instances when some aspect of an organisation's performance is eroded to a level that is not beneficial for long-term health, **so change initiatives are always going to be with us.**

Oscillating between catch-up and complacency is not, however, a recipe for long-term success. Company lifespans are shrinking dramatically, as technology increasingly demolishes barriers to entry. **The maxim that organisations need to innovate or die has never been truer.**

I cannot, therefore, think of a better place to finish than with a quotation from Professor Gary Hamel, the foremost strategic thinker of the last 20 years. Writing for McKinsey Insights, Hamel says that **organisations need to create a change platform, not a change programme:**

“The biggest obstacles to creating robust change platforms aren't technical. The challenge lies in shifting the role of the executive from change agent in chief to change enabler in chief. This means devoting leadership attention to the creation of an environment where deep, proactive change can happen anywhere—and at any time—and inspiring the entire organization to [tackle] the most pressing issues”.

IT versus non-IT respondents: the stats

IT AND NON-IT RESPONDENTS YIELDED REMARKABLY SIMILAR RESULTS

In your experience, how often do organisational change initiatives deliver what their sponsors expect? Score of 1-5 where 1 is never and 5 is always.			
	Combined	non-IT	IT
Mean	2.35	2.33	2.38
Median	2	2	2
Mode	2	2	2

Thinking about change initiatives in which you have had a personal involvement, what proportion of expected value do you think was delivered? Score of 0-100% where 100% is all of expected value.			
	Combined	non-IT	IT
Mean	51.1%	50.6%	51.6%
Median	50%	50%	50%
Mode	50%	60%	60%

Thinking about the context for change, do you think today's organisations are more like machines or ecosystems? Score 1 is most like a machine and 10 is most like and ecosystem.			
	Combined	non-IT	IT
Mean	6.91	7.00	6.82
Median	7	8	7
Mode	8	8	8

And in your experience, do organisations plan and execute change initiatives as if their organisation is: Score 1 is most like a machine and 10 is most like and ecosystem.			
	Combined	non-IT	IT
Mean	2.35	3.23	3.15
Median	3	3	3
Mode	3	3	3

CONTACT AND FURTHER INFORMATION

Gary Lloyd is principal consultant of *Gardeners Not Mechanics* which specialises in sustainable organisational change.

He has been helping businesses to deliver strategic, IT-enabled change, for over 20 years. His roles have ranged from being the business leader who drives the change, through to being a trusted advisor to CEOs and COOs, helping them to get value from their projects, programmes and ventures.

He is a member of the Executive Coaching Panel at Warwick Business School and a member of the School's Mentoring Steering Committee.

He is author of *Business Leadership for IT Projects* which was published by Gower at the end of 2012.

He has also published articles in *Project Manager Today*, the BCS professional members journal *ITNow*, and was a contributor to *Digital Leaders*, published at the end of 2015 by the British Computer Society, the chartered institute for IT professionals in the UK.

If you'd like to discuss or comment on any of the matters raised in this report then Gary will be pleased to hear from you.



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