

Launching, Leading, and Realizing Benefits from Change Initiatives: A 21st-Century Skill

BY DAVID A. SHORE, PH.D., HARVARD UNIVERSITY AND UNIVERSITY OF MONTERREY BUSINESS SCHOOL

“Our organization has got to change.” We have all heard these words echoing throughout healthcare delivery organizations in recent times. But what do these six words mean?

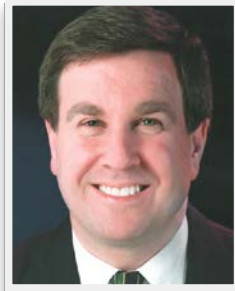
After all, change comes in various intensities. What kind of change are we and our colleagues advocating? What is our (relative) tolerance for change? In most organizations, the change mantra raises far more questions than it answers.

Change is simply a word until you execute against it. Translating ideas to implementation, sustaining the innovation, and then realizing benefits have proven chronically daunting. Many organizations “fail” into a valley of death between identifying where to drive growth and how to drive impact.

Types of Change

Identifying the type of change the organization is about to embark on is an essential first step that should profoundly inform all that follows. While there are many nuances, there are generally three types of change:

1. **Incremental:** the simplest of the three, this developmental change is often about a degree of magnitude—increase, decrease—minor tweaks or adjustments to what already is. The impact on stakeholders is relatively minor. Leaders can often declare the desired outcome and deliverables. On a board agenda, such change might be under the category of “for your information.”
2. **Transitional:** beyond improving what is already in place, this kind of change involves installing new programs, processes, systems, structures, and technology. While the transition is to a new state, this new dimension is generally knowable and definable at the beginning of the initiative. Thus, the change process is largely predictable and linear. On a board agenda, such projects would likely appear under the category of “for your discussion,” if not “for your action.”
3. **Transformational:** from time to time, science, legislation, or competitive pressures demand not a shift, but a dramatic change. With breakthrough change we



David A. Shore, Ph.D.,
Harvard University and
University of Monterrey
Business School

envision an idea, a paradigm, or a strategy that we believe will positively and profoundly disrupt the status quo. With such initiatives, it is critical to communicate loud, clear, and often that this is an experiment. As with any experiment, much is uncertain at the beginning. You have a general direction, but perhaps not much more. The one thing of which we can be sure is that the process will be non-linear. We can predict that there will be numerous course corrections and adjustments. Engaging stakeholders throughout the project life cycle is a critical success factor. When a quantum change is being contemplated, this should be the board agenda!

The Challenge of Change: Individuals

Clinically, we already know how hard it is to overcome a patient’s ambivalence about behavior change. Change is especially hard for people when the needed change is fundamental and far-reaching. This is true even if the change promises an undeniably positive end. There is still fear of the unknown and the fear of the enormity of effort that it might take to alter the status quo.

If we have any doubt about the universal challenge of change, we need look no further than New Year’s resolutions. As with patient compliance and persistency data regarding medication adherence, most people fall off the resolution wagon—some shortly after singing *Auld Lang Syne* at the stroke of midnight. Among the 40–45 percent of American adults who make one or more resolutions each year, here is how they fare in keeping their pledge over time:¹

- Past week one: 75 percent

- Past week two: 71 percent
- After one month: 64 percent
- After six months: 46 percent

There seem to be two primary hurdles facing January 1 resolvers: a substantial initial resistance to change, followed by the challenge of persistence once change has begun.

The Challenge of Change: Organizations

The challenge of change is not limited to human beings. Change is equally difficult for organizations. “Innovate or die” has long been the mantra of higher performing organizations in their quest to create competitive advantage. For these organizations, change is not so much a program, as a way of life. After all, imagine a CEO who states, “I want our organization to be the best, but I don’t want it to change.” Quite to the contrary—a characteristic of successful organizations and their leaders is that they are never satisfied with where they are today. Forward-looking leaders believe “business as usual” is change, and they embrace permanent beta. For these leaders and these organizations, “finished” is an F-word. Even so, far more organizations die than innovate.

Changeology: A Burning Platform

Almost two decades ago, John Kotter published *Leading Change*, one of the seminal books in the field of change management.² Kotter’s research revealed that 70 percent of change initiatives failed. More recent global research by McKinsey & Company found similar results, with only one in three transformational change events succeeding.³ Perhaps most sobering is a study examining more than 5,000 innovations—successful and not—over the past 15 years. Despite setting a remarkably low threshold for success

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1 John C. Norcross, Marci S. Mrykalo, and Matthew D. Blagys, “*Auld Lang Syne*: Success Predictors, Change Processes, and Self-Reporting Outcomes of New Year’s Resolvers and Nonresolvers,” *Journal of Clinical Psychology*, Vol. 58, No. 4 (2002), pp. 397–405.

2 John P. Kotter, *Leading Change*, Boston, MA: Harvard Business School Press, 1996.

3 McKinsey & Company, *Creating Organizational Transformations: McKinsey Global Survey Results*, August 2008.

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(defined as returning their cost of capital) these innovations achieved in aggregate a dismal success rate of 4.5 percent.⁴

We know how difficult process improvement can be, despite its often limited scope. Now consider quantum change—transformations of the Ebenezer Scrooge magnitude. Such breakthrough change is what is being required of organizations today if they are to create a unique and adaptable competitive advantage.

The Challenge of Change: Healthcare

The challenge of change is even harder for healthcare delivery organizations, as the typical structure of decentralized control often precludes the kinds of effort necessary to launch and lead change initiatives.⁵

Consistently, we have found that organizations do not have the capacity and infrastructure to launch and lead the quantum leap required to make change happen and stick. Without the requisite people and processes working within adaptable organizational systems, high failure rates are predictable.⁶

The cruel irony behind change is that change itself is inevitable; the only question is whether it is intentional, planned, controllable, timely, or delayed. It was the pre-Socratic philosopher Heraclitus who reminded us that “all entities move and nothing remains still.” Now, more than 2,500 years since this proclamation, people and organizations continue to struggle with change and how to manage it. Did I mention that Heraclitus was named the “Weeping Philosopher”?

While change is hard, change is also essential. Beyond the moral, ethical, competitive, and clinical imperatives, we find operational waste, as well as ineffective and inefficient communication, rampant throughout healthcare delivery organizations. Such wasted effort and wasted

energy further challenges the discretionary resources required of change initiatives. Against this backdrop, the *Journal of Health Communication* recently spotlighted a pervasive, if underappreciated, resource drain: meetings. Despite compelling data and near consensus around this issue, organizations find changing their meeting culture quite difficult.⁷

The most productive metaphors I have found for successfully launching, leading, and realizing benefits from change initiatives come from the physical, biological, and social sciences. In physics, we are reminded that if you want to push something forward, you must overcome resistance to change (in other words, “inertia”). In geophysics, the earth has a North Pole and a South Pole. With change initiatives, it is more complicated—it’s a multipolar world, with each pole pulling toward itself and away from all others. In biology, there is homeostasis and in sociology there is structuration (i.e., “this is the way that we have always done things around here”). In each of these disciplines, you can find analogies for understanding the challenge of change. But in each of these sciences, change does occur and directed change is always possible.

Kaizen Town Hall Forum

One powerful strategy I regularly employ with transformational change initiatives is a Kaizen Town Hall Forum. The Japanese term Kai means “change,” while Zen is “good.” Kaizen—change for the better—is both a method and a mindset for continuous improvement and for positive change. Kaizen execution includes identifying opportunities, narrowing the focus, and prioritizing optional paths. In the Kaizen Town Hall Forum, we bring stakeholders together to build the will for change. We acknowledge that even when change initiatives have face validity (appear self-evident), it will not be for many. The Kaizen Forum is a form of internal and native

marketing, blending editorial and advocacy. During the Kaizen Forum change agent(s) quickly outline the “what” and then must persuasively answer the question, “why.” “Why” are we doing this? “Why” before “who,” “how,” “when,” and “how much.”

A central objective of the Kaizen Town Hall Forum is to make people uncomfortable with the status quo and excited about the future state. If you are successful, you are presented with an “all-in moment” when you can paint a (green) line and say, “from this point forward we are all in.” After all, for change to happen everyone must really want it. They must be all in.

A critical success factor to successfully launching, leading, and realizing benefits from change initiatives is to create a heightened level of stakeholder engagement. We accomplish this critical success factor through the Kaizen Town Hall Forum. During the Kaizen Forum, there must be a strong effort to engage all stakeholders—to solicit their insights and recommendations and their buy-in. One finds that such authorship leads to ownership and the desired “all-in moment.”

Conclusion

The work of the world is made up of projects, whether we realize it or not. Projects are the way we implement change initiatives. Projects are the *engines* of change. Project management is the *enabler* of change. Project managers are the *agents* of change. If organizations are going to bend the curve and become a rose amongst thorns, they must build the capacity and infrastructure to launch, lead, and realize benefits from change initiatives.⁸ ●

The Governance Institute thanks David A. Shore, Ph.D., former associate dean of the Harvard University School of Public Health; founding director of the Program in Project Management; faculty of Harvard University; and adjunct professor of Organizational Development and Change at the University of Monterrey Business School, Mexico, for contributing this article. Dr. Shore is also on The Governance Institute’s faculty. He can be reached at dshore@fas.harvard.edu.

4 Geoff Tuff and Stephen Wunker, *Beacons for Business Model Innovation*, Deloitte Development, LLP, 2014.

5 David A. Shore and Christina Lively, *The Hospital Industry in Transition: Building Capability to Successfully Drive Change*, Boston, MA: Harvard School of Public Health, Towers Watson, 2011 (available at <http://bit.ly/1qisrZW>).

6 David A. Shore, *Launching and Leading Change Initiatives in Health Care Organizations: Managing Successful Projects*, San Francisco, CA: Jossey-Bass, 2014.

7 David A. Shore, “Fewer. Shorter. Better: Effective and Efficient Meetings for Higher Performing Organizations,” *Journal of Health Communication*, Vol. 18, No. 11 (2013), pp. 1275–1278; also see David A. Shore, “Meetings and Committees: Current State and Future Opportunities for Higher Performing Boards,” a special commentary in *Governing the Value Journey: A Profile of Structure, Culture, and Practices of Boards in Transition*, The Governance Institute, 2013 Bien-nial Survey of Hospitals and Healthcare Systems.

8 This article is largely based on David A. Shore, *Launching and Leading Change Initiatives in Health Care Organizations*, 2014; and the workshop, “Preparing People and Organizations for the Challenge of Change: Seven Critical Success Factors”