Leading a Culture Ready for Change

This article captures the highlights of the discussion from Julia Dhar's presentation to members of CNEXT's Generate Program. Please see the accompanying slide deck for more details from the presentation.

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Julia Dhar:

Julia Dhar founded and leads BCG's Behavioral Science Lab and the firm's behavioral science network BeSmart.

Trained as a behavioral economist, Julia champions the use of behavioral insights to improve product and service design and delivery.

She is deeply involved in BCG's IP development on the Future of Work and co-leads BCG's work on deskless workers.

In a recent BCG study, over 1,000 individuals were informed that a change was coming in their organization and were asked about their feelings. With no additional information provided, more than half expressed opposition to the change despite also being given the option to state that they did not have enough information to decide.

Among senior leaders, however, 62% expressed support for change.

These results highlight not only an inherent problem of risk aversion but also a significant gap between senior leadership and individual contributors.

How can senior leaders bridge this gap and cultivate a culture ready to embrace change?

Know Where You Stand

Debunk the myth of change fatigue

Organizations can't be tired—individuals can. Discover what is behind each individual's expression of fatigue. It's easier for someone to express fatigue than to engage in difficult discussions about their opposition to the change agenda.

Treat employees as customers of the change program

Put people at the center of change. Track and study them as you would your customers. Periodically, ask them to rate your change program and how likely they are to recommend it to a colleague. Calculate your Net Promoter Score, and interview those with scores below 5 to understand their experiences better.

A CONVERSATION
BETWEEN:

Jonathan Craig
MD, Head of Investor
Services & Marketing,
Charles Schwab

Debra Delise
VP of Security Products
and Technology, Analog
Devices

Guillaume Gerardin
SVP & General Manager,
Printing Supplies, HP

Bob Farnsworth
Former CEO, PlayCore

Abhi Ingle
Former Chief Business
Officer, Qualtrics

Katrina Lindsey
Chief Legal Officer and
Corporate Secretary,
Casey's General Stores

Maggie Wilderotter
Chairperson, DocuSign,
former CEO, Frontier
Communications

Seek a data-based picture of resistance

Ask employees to rate their feelings towards change based on their confidence (belief in their ability to execute the change) and capacity (resources to get it done). Map responses on a two-by-two matrix and compare them to the perceived organizational attitude toward change.

You'll likely find more people with high confidence and capacity than internal communications suggest. Those with low confidence and capacity often voice their opinions more loudly and frequently. Provide easy, supportive ways for these individuals to express their concerns directly to senior leadership to prevent negativity from spreading horizontally.

Create Acceptance of Change

Make the destination clear

Use stories to create a compelling vision for change and build trust in the process. Clearly explain the context and the benefits of change, highlighting what individuals stand to gain and how they will be rewarded.

Communicate effectively

Repeat the message consistently across all levels of the organization. During high-anxiety periods, people often turn to less-informed peers for information. Simplify leadership levels to enable direct communication and reduce message distortion. As a senior leader, remain personal and spontaneous in your communication to keep people engaged.

Recognize individual contributions

Do not ration recognition. Think of it not as a finite resource but as a fire that grows the more you fuel it. Teach managers to praise and appreciate their team members. An increased desire for recognition during periods of change is common among both those with high and low levels of confidence and capacity.

CNEXT is a Community of Global Leaders.

CNEXT creates Virtual Leaders Forums, consisting of high-potential senior executives supported by former successful public company CEOs.

Members participate in virtual meetings to gain insights, approaches, and tools to tackle their most pressing leadership and business challenges, while also developing valuable peer networks for the future - all to accelerate organizational performance and achieve their business objectives and professional aspirations.

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