

Evidencing the Value of Change Management

Change has always been difficult:

"There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things."
(Niccolo Machiavelli, *The Prince*, 1532)

The success and value added by change management practices is also difficult to measure with any certainty.

WHY measure change management effectiveness?

This is a key question! In many organizations, the reality is that if senior leaders believe in the value of change management, there is little need of proof. If they do not, it is unlikely that any realistic amount of evidence will convince them!

Most change managers find it helpful to have at their fingertips a range of reputable studies that highlight

- the risks of change failing, and
- the difference that good change management practices can make.

Presented before a change initiative they may encourage appropriate investment in good change management practices by establishing credibility and garnering support. They also demonstrate that the change manager is thinking about the outcomes in business terms. Some useful examples from 1995 to 2013 are summarised in *The Effective Change Manager's Handbook*¹, and more recent studies include *Making Change Work*².

After a change initiative is concluded, attempting to evaluate the contribution change management has made is good in principle. For the organization, a record of change successfully accomplished builds change readiness and resilience, which is a highly desirable outcome. However be warned: if they are pleased with the overall outcome, it is unlikely that senior leaders will have much energy for evaluation activities; if they are not, the risk is that such evaluation is closely associated with blame. Despite this, change professionals benefit from building a personal track record; it is important for professional development, and may prove useful when it comes to the next initiative – or the next job interview!

Problems of measurement to overcome

When organizations set out to undertake change it is never an academic exercise! It is important to acknowledge this, because it helps manage expectations of real world measurement. For example, in an academic study a change (or change methodology, or whatever) might be tried in a controlled, bounded situation, and the results compared with a near-identical situation where the change (or methodology etc.) had NOT been used. It is rare that such careful use of control groups is practical or even desirable in the real world.

There is also real difficulty in selecting measures. The ideal of clear and unambiguous numerical measures is rarely available in the messy world of real organizations, where the reality is usually about people and habits and relationships. This is especially so in cases of 'emergent', as opposed to programmatic or project-based changes. The best we can do is usually to agree some indicators – reasonably well-defined observations – that would allow us to assess direction of travel and, perhaps, progress.

The problem of imprecise measures, combined with the lack of control groups, means that strict, mathematical proof of value ("Q.E.D.") is simply not possible. However careful forethought usually makes it possible to gather evidence of value, from multiple perspectives, in much the same way that a legal case is built (forensic evidence, eye-witness statements, surrounding circumstances). Accumulated evidence of change management value may be demonstrated "beyond reasonable doubt" (or at least to the lower civil standard of legal proof "on the balance of probabilities").

¹ Smith, R., King, D., Sidhu R., and Skelsey, D. (Eds.), *The Effective Change Manager's Handbook*, London: Kogan Page, 2014 (pp.4-6)

² IBM, *Making Change Work ... while the work keeps changing*, IBM, 2014

The importance of LEADING indicators

More important than either the 'before' or 'after' perspectives is the critical importance of measurement 'during'. Many business measures show success (or otherwise) after the event. However finding measures or indicators that give helpful information about progress DURING a change process are the most valuable of all. Such indicators are best found through the following steps:

1. Identify clearly what aspects of the organization are to change, and why. Keep asking yourself (and the change sponsors/senior leaders): "Just what IS the change?" Keep asking the question until it is quite clear.
2. Look around the organization and write down 'bullet points' representing all the 'push' factors for the change. What is wrong with the way things are now, from the perspective of all the stakeholders? What do you and they see? What do they hear? How do they feel?
3. As an act of creative imagination, project yourself into the future, after the changes are successfully completed. Look around this world as if it is now a reality. Write down what you and the stakeholders now see, hear and feel.
4. Study the differences between these two lists and consider how these identifiable changes (both 'hard' measures and other indicators) might be captured and used to track progress toward the desired end state.

As leading indicators of success, it should be possible to engage people in helping to gather data, to set milestones and celebrate their achievement, and to honour those contributing to the progress being made. And of course, many of these measures and indicators will also be relevant to the evaluation of change success after it is completed.

At the beginning of this paper I referred to the significance of the belief of senior leaders in change management. If such influential stakeholders are fully engaged in the process of identifying leading indicators, the outcomes of the change can well be evaluated as a return on their expectations³. This approach includes, but is not limited to, the use of 'hard' business measures.

Measurement – some examples and thought-starters

LaClair and Rao (2002)⁴ found that effective change management applied at every level (senior leadership, middle managers and what they described as 'front line troops') led to an average of 143% of the planned value of change being captured. Finding ways to measure and manage some of the key factors they identify may offer good leading indicators of change success, if all three levels are being addressed effectively:

- At *senior* level, how consistently do leaders prioritize the change, tell a clear, strong story about it, keep 'on message', maintain sharp focus on relevant numbers, and align recognition and reward?
- At *middle* levels, how consistently are good project/programme management skills being applied, with excellent communication of progress against milestones and effective control of key tasks?
- At '*front line*' level, are tools, techniques, technology and training (the four Ts!) being made widely and appropriately available, with appropriate recognition of excellent performance in the areas of change?

Karen Ferris (2013)⁵ showed that effective change management delivers improved adoption speed, utilization rate and employee proficiency – all potentially measurable, as either leading or lagging indicators.

Conclusion

The challenge of measuring change is both real and important. Careful advance collaboration between stakeholders, especially the organization's senior leadership and change management professionals, makes it possible to identify and accumulate evidence of both progress and success. Making the case for successful change in this way can help organizations develop the ability to address future changes with increasing confidence and resilience.

³ Anderson, V., *The Value of Learning: From return on investment to return on expectation*. 'Research into practice' report. London: CIPD, 2007.

⁴ LaClair, J.A. and Rao, R.P., Helping employees embrace change, *McKinsey Quarterly*, 2002:4, pp.17-20, USA: McKinsey.

⁵ Ferris, K., *ITSM Solution Projects Need Organisational Change Management*, Australia: Macanta Consulting, 2013.