

How Successful is Change?

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Abstract In the present turbulent environment, management of change has repeatedly been reported as ‘the’ key to success for organizations of all types. However, despite the overwhelming number of frameworks and approaches to change management, there is hardly any empirical research that assesses the effect of change interventions. As a result, many hypotheses about successful management of change remain unchallenged. This leads to a wide range of sometimes contradictory and confusing theories.

Part of the problem is how to evaluate change success. Numerous researchers have reported failure rates of around 70 per cent for various types of change initiatives. However, most of them refer to different types of measures to evaluate change success. As a result, the first purpose of this work is to describe the psychometric properties of a new questionnaire to assess change management success based on an evaluation of the change process and its impact on various characteristics of organizational performance. Insights are derived from data in more than 100 organizations that went through various types of change initiatives. The second part of this work uses this new measure of change success to investigate differences across industries and sectors, as well as type of change and type of organization. This leads to a better understand of the landscape of change success, allowing to orient future research on similarities and differences of change under various conditions.

Keywords: Change Management, Change Success Criteria, Change Failure Rates

1 Need for this work

Change remains an important challenge in the current business environment. In the turbulent times that we are experiencing today, organizations must adapt quickly to survive. However, academic research demonstrates that change remains a challenging topic for many managers, with most studies reporting failure rates of about 70%. There is however little to no research that has provided empirical evidence for this, let be studies that have based their statements on reliable measures of change success (Barends, Janssen, ten Have & ten Have, 2014). Therefore, this work presents a new scale to measure change success, both from a change process and an organizational perspective.

According to Hiatt and Creasey (2012), change management is not just a matter of simply following steps or applying tools: “Since no two changes are alike, following a recipe for change management is not enough. To be effective at leading change, you need to customize and scale your change management efforts based on the unique characteristics of the change and the attributes of the impacted organization.” As a result, the second part of this work presents an overview of how both organizational and change characteristics translate into differences in change success rates across sectors and types of organizations.

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2 Measuring Change Success

Based on a review of the literature, we have defined a new way to measure change success based on: (1) overall change success, (2) change energy, (3) change process effectiveness, and (4) change impact.

The first measure, 'overall change success', measures to what extent the implementation of change is considered overall successful. The measure 'change energy' evaluates to what extent the change program has energized the organization. The measure 'effectiveness of the change process' is a composite measure that consists of four elements. A change process is considered effective (1) when negative efforts of the change are minimal, (2) when the change was implemented within the anticipated time period, (3) when the program achieved the desired results, and (4) when the results of the change were sustained. Finally, the measure 'change impact' investigated whether the change had a positive or negative impact on various categories of organizational performance, such as product and service measures, customer-related measures, financial measures, operational measures, employee-related measures, leadership and corporate social responsibility. Based on a factor analysis of the responses of 104 organizations, we were able to validate the measurement instrument, allowing future research to assess change performance based on change process effectiveness as well as hard and soft impact scores.

3 Conclusions and Future Research

Comparing the responses of the participating organizations, allows us to break the paradigm that 70% of the change initiatives fail. We have found significant differences of change success across industries & sectors, change types and organizational characteristics such as size and leadership commitment. A more detailed analysis of the change process effectiveness criteria further reveals that organizations mostly underestimate the duration of their change program as well as the challenge to sustain performance after the change. Last but not least there are noticeable difference between hard and soft impact measures. This implies that many organizations can benefit from more focus on the soft side of their change journey. These insights provide a strong foundation for research that illuminates the main drivers to change success or wants to test the impact of various change approaches.

4 References

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