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The road to successful change is lined with trade-offs

Rather than trying to convince people your change initiative is the right one, invite them to talk openly about what it might take to implement it: the good, the bad, and the frustrating.

BY MAYA TOWNSEND AND ELIZABETH DOTY

At one Fortune 500 insurance company, the IT team had noticed an uptick in quality issues, delays, and dissatisfaction among project sponsors. In response to these unsettling trends, the chief information officer (CIO) decided to adopt a standard software development methodology and replicable project management practices. The intended benefits of this shift — higher quality and reliability — were attractive, but the trade-offs were daunting. Because they would no longer have the license to customize process and standards, project managers would need to give up independence and creativity. Coders would have to make similar sacrifices, as well as face increased oversight through peer reviews.

Illustration by Cristóbal Schmal

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To address these concerns, the CIO asked a cross-functional group to consider two questions: If the division adopted the new framework, what would the organization gain? And equally important, what would it lose? Participants were invited to weigh the proposed change for themselves and to consider it from every angle — including the reasons the initiative might not work. They brainstormed solutions to potential project roadblocks. These discussions helped build support and diminish the likelihood that people would retrench when challenged by the inevitable costs, frustrations, and hard work of change. In the end, the new methodology and practices were adopted in half the time recommended to achieve the goal, embedded in the company's culture, and recognized for their contributions to customer satisfaction and project quality.

These were not your typical "socializing" conversations, intended to make people feel included in decisions that have already been made. Instead, these dialogues reflected a departure from many of the current norms for change management. Traditionally, leaders have started with the belief that the change they have launched is patently right. Its merits are not in question, they believe; at most, it might need minor tweaks. With this stance, the work of change becomes convincing people and overcoming their resistance, and all too often, box-checking exercises take the place of frank discussion.

Yet we have found that the most enduring change initiatives — those that drive real results — are based on leaders' assumption that they are seeing only part of the picture and thus need to learn more. These leaders ask hard questions and engage in trade-offs as early as possible, talking with those who raise con-

cerns not to gain their compliance, but to improve, refine, and pressure test the proposed change.

No easy answers

We are living in a historic moment, one in which trade-offs are central to many of our discussions: Leaders in the public and private sector are weighing the potential costs (economic, medical, and psychological) of opening institutions while COVID-19 is still spreading against the potential costs of staying closed. For many of the hard questions these leaders are asking, there are no good answers. But decisions still need to be made.

When leaders launch an initiative, their ability to achieve "both/and" is not yet proven. By *both/and*, we mean identifying a solution that moves beyond the historical limits of an either/or trade-off, an idea advanced by the polarity management methodology of management thinker and author Barry Johnson. For instance, companies used to choose either slow, costly, data-driven decisions or fast, intuitive judgment calls. But the use of advanced analytics now allows companies to make real-time decisions that are data-driven.

Yet when leaders assume their answer is *the* answer, they tend to approach change as they would a political campaign — heavy on slogans and focused on numerical targets akin to contributions and votes. The process can feel forced; people are engaged solely to be converted to the leader's "side," rather than to participate in a dialogue about the potential implications of the plan. Leaders speak, but don't listen. Or they assume that a lack of feedback reflects agreement and acceptance among their constituents.

Success under this approach is typically measured by increases in compliance ("40 percent of staff have logged on to the new ERP system") and decreases in resistance ("the number of employees indicating the new ERP system will help make their work more effective has increased by 30 percent since last quarter"). Leaders reward those who quickly conform, not realizing that these conversions

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often represent superficial commitments, not true allegiance or even an accurate understanding of the new way. And because hard questions are minimized, teams may comply with a change that won't work once it gets underway.

For employees, the pressure to change without truly understanding or committing to the initiative is an unfortunate fact of organizational life. People become used to the expectation that they will limit independent thinking and suspend disbelief, regardless of the lessons of their prior experience. If employees have a few questions, that is usually acceptable, but more can invite censure or ridicule, or, in the worst cases, can be career damaging, even if such questions represent legitimate critiques or sound ideas for improvement.

Consider the case of a leader of an accounting services business who created a consolidated national office to replace a collection of smaller state units. Although the new structure would save on overhead, the company's services were heavily influenced by state regulations. Employees with the expertise needed to work in their state office could now be assigned to a case anywhere in the country. Many would lack the knowledge needed to do their job effectively — a concern immediately raised by employees when the plan was announced. But the leader was dismissive, instead telling people to stop "harping on the negative." Those who raised the issue again could tell they were at risk of being branded as resisters. One even remarked that "it was like a cult"; she felt forced to conform or face social and professional isolation.

In the end, the new national structure struggled to deliver for customers in states where employees were not well-versed in local regulations, in ways the re-

sisters had predicted and hoped to avoid. Imagine if the leader had asked, "How might we consolidate into a national structure, but still ensure customers benefit from the regulatory knowledge each of you has developed over time?" Instead of resisting, his team would have been brainstorming how to make the idea work. And instead of failing to meet expectations, they could have been delivering excellent service at scale.

Avoid the temptation to rush in

Leaders should borrow an important concept from the project management world: Go slow to go fast. There is often a rush to dive in at the beginning of a project, to start getting things done quickly and to feel a sense of accomplishment. This desire backfires when stakeholders are overlooked, plans are not validated, and critical conversations are ignored. Instead, project managers are advised to go slow — to do the work needed up front to develop momentum and gain speed later in the project.

The same idea helps reframe notions about how to lead organizational change successfully. Instead of doing the conceptual work quickly and alone, leaders must slow down the initial planning stages, resist the temptation and endorphin rush of being a "heroic" leader solving the problem, and engage people in frank conversations about the trade-offs involved in change. This does not have to take long — even just a few days or weeks. The key is to build the capacity to think together and to get underlying assumptions out in the open.

Leaders must do more than just get the conversation started. They also need

to keep it going, often in the face of significant challenges. For example, one of the authors once worked with a division of a Fortune 50 high-tech firm that was going through a period of turbulence. During one nine-month period, the unit was reorganized six times, and each time, another internal technical function was added to the group. The problem was that no one could explain the logic of all the additions. The division began calling itself the "Island of Misfit Toys" — where all the odd, hard-to-place functions were collected.

After first trying the political campaign approach with her team — doing presentations about the burning platform and targeting those who needed to have their concerns assuaged — and getting nowhere, the unit's leader decided to change course. Over a team dinner one evening, she asked point-blank whether they should give up on making sense of the mergers. The question stunned her colleagues, but also ultimately united them. As they went around the table, they committed to finding a shared purpose, and they were also able to discern a common thread behind the mergers. Each of the added groups had a similar competence they had brought to a range of projects, a similarity that hadn't been obvious before. The team refocused on that competence, then began seeking new teams to merge into their function.

The leader started the conversation with a challenging question, and this is critical. The questions need to be a little risky, and the context needs to invite people to talk safely about difficult issues. Change champions need to draw out others' opinions about the reasons their hunch won't work as a starting point for problem-solving and design. By treating the potential downsides and limitations of an idea as legitimate, rational concerns, people can work together to design solutions that both achieve intended goals and preserve what the organization wishes to safeguard while building commitment to implementation. Leaders may ask, for example: Is this a distraction or something that can truly make a difference? What will we have to do to make this work? What might be the unintended consequences if we succeed?

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Engage with the "other side"

So-called resisters have a point. Opposing views often have clear, important messages that leaders would do well to heed. The people who hold these views may be the ones who most vividly see the potential losses or risks associated with the initiative.

Organizational change expert Rick Maurer explains, "There [aren't] 'resisters' out there just waiting to ruin our otherwise perfect intervention. People resist in response to something. The people resisting probably don't see it as resistance; they see it as survival." Critical voices are important and ultimately essential in breaking through superficiality and developing the thinking needed to wrestle with trade-offs successfully. Many times, in side conversations, people have told us stories about speaking up out of a sense of accountability, realism, or integrity.

When change leaders gloss over unintended consequences and contradictory perspectives, they lose the opportunity to capitalize on the tension between views that can lead to unexpected and valuable insights. They sacrifice the chance to achieve real commitment from the people whose job it will be to implement the change.

Methods such as skillful dialogue encourage groups to slow down conversations and truly listen. The Lewis Deep Democracy approach takes it further. Developed in South Africa to help corporations recover from the effects of apartheid, dismantle embedded racist systems, and model the new, democratic nation, Deep Democracy works with what can be called a strict, no-interrupting, one-side-at-a-time policy.

This technique helped one behavioral health organization decide how to change its approach to diversity, equity, and inclusion (DEI). A choice had emerged among the senior team. They could make diversity a top-level priority or they could embed it into everyone's day-to-day work. Both approaches addressed the underlying imperative to improve, but each also came with trade-offs and potential drawbacks.

Rather than alternating arguments, the team dove into each side in depth. Some members of the senior team believed that DEI should be part of the strategic agenda. The discussion started with supporters articulating their perspective that the organization's commitment to diversity should be shared with the world as a top-level priority, in order to signal the seriousness of the issue. They expressed a fear that if diversity wasn't prioritized in this way, it would eventually be neglected or pushed aside by other priorities. All participants were encouraged to discover what parts of this position rang true for them, even if they initially held another perspective. This is a central tenet of the method: It is often possible to find something that the opposing side can empathize with, and slowly the confrontational stance begins to soften.

The next step was to hear from the other side. These members of the senior team turned the group's attention to the reasons that DEI should be embedded into everything the organization did, so that it became every person's responsibility. This group shared stories of other companies in which diversity became a public relations gimmick that was ignored by staff and rolled out only when expedient. A similar process was followed as the whole group explored that position.

When participating in this method, people begin to experience fluidity in their stance. This fluidity is also the core of Johnson's polarity management method: By engaging multiple perspectives and asking questions, people start to recognize both the benefits and the risks of their preferred side of either/or and tap into the creativity needed to craft an effective both/and solution.

The company in our example found that using the Deep Democracy approach allowed them to come to an agreement and develop plans that avoided the pitfalls feared by the other side. The solution was elegant. The company embedded DEI into the fabric of the organization, but did so by writing it specifically into the scope of each high-level strategic priority. For example, leaders responsible for financial health, customer experience, technological innovation, and so on were expected to explore the DEI implications of their work. No strategy would be considered successful unless it demonstrated how these issues had been woven into the work.

The leader's task is to create an environment in which different perspectives can be fully explored consciously and collectively. The conversation should not take the tone of a debate or competition. Instead, people "think together," exploring best- and worst-case scenarios, grappling with challenges, and imagining how their innovation could ensure success.

Model vulnerability and lack of omniscience

Initially, people may struggle to open up; after all, most have experienced situations in which they were permitted to ask only a few questions or in which follow-up questions were perceived as disruptive. To overcome the negative effects of people's past experiences, leaders must model openness, clearly invite people to speak candidly, welcome questions and critiques, and listen with a willingness to be influenced.

One global leader of an agricultural company crossed six continents to visit almost every outpost in her division and to listen to staff express their hesitations

about adopting a more interconnected approach among the regional offices. At each location, her message was clear: We need to become more connected and collaborative. But her approach was humble. "Would you tell me," she asked, "how things work here? What worries you about becoming more interconnected? What do you fear you might have to give up?" Her questions and her clear commitment to listening to her staff instilled trust and confidence.

Her employees shared their concerns. They feared that if the regions were more connected, they would have to comply with what headquarters told them, even when they knew it was wrong for their local market. As things stood at the time, these workers often superficially agreed to headquarters' mandates and then did as they wished, knowing they could fly under the radar. In theory, the proposed organizational change would free staff from being beholden to a strict hierarchy. In practice, they admitted, becoming more interconnected would limit their autonomy.

It would have been easy for the agricultural leader to present strong, rational arguments to prove to the regional staff that their perspectives were wrong. Instead, she did something radical that increased trust dramatically. She affirmed their concerns. She agreed with their belief that there would be losses. She asked the group to delve into their worries, explore them, question what responsibilities and freedoms they hoped to maintain, and then strategize how to protect those boundaries. The method was successful: After a year, a network map revealed a greater level of communication and coordination among regions, and a retrospective showed the organization had responded more quickly and with more coherence to several important global challenges.

When leaders take actions like these, they create change by inviting people to think for themselves and to find their own answers to tough questions. These leaders are willing to be influenced and acknowledge that there are elements of the change that still need to be figured out. This strategy, rather than requiring the leader to balance and address everyone's concerns, allows people to share the

responsibility for change by publicly wrestling with the trade-offs, collectively coming to a resolution, and then committing to the plan's execution.

Engage both peers and top leaders

In our experience in working with organizational change leaders, it is often executives at the next level up or peers in other functions who undo promising new initiatives. The idea may sound good at first, and, amid the flurry of competing priorities, these people may not examine the new idea too closely. Then, as the organization begins to experience the costs and hard work of change, support wanes.

Peers in other functions may be most concerned about trade-offs that affect them. Will marketing bear the cost of new purchasing guidelines? Will customer service suffer from reduced product functionality? Eventually, these other functional leaders may decide that the costs outweigh the benefits and will roll back the work that has been done. Or they may unwittingly dismantle a larger effort by overriding key components of it — sometimes because they lack a shared understanding of the context.

For example, amid rising demand, one factory was tasked with drastically improving output and reducing defects. The team of frontline employees and supervisors assigned to develop a solution found that performing more frequent machine maintenance and building new jigs to speed up changeovers between production runs were the keys to achieving higher productivity and quality while lowering overall costs.

Unfortunately, shortly after the new system was up and running, the team's peers in accounting approached the division leader with concerns that maintenance costs were above historical levels. Those added costs were more than covered by the benefits to output and quality, but because the factory team had not engaged the senior executive to explain their plan and prepare him for the increased cost, the leader responded to it as an isolated issue and ordered the

team to bring their maintenance costs back in line. They complied, but forfeited the gains they had made.

To prevent a positive change from being overridden in this way, it is wise to connect with a wide range of people when discussing the potential costs and trade-offs in a project. Change almost always occurs in a complex ecosystem with many cause-and-effect relationships; no one has the full picture, and investments made in one area may pay off in another. Senior leaders generally have a more global view of the situation and the factors driving change. Frontline folks tend to have a richer sense of the particulars. When leaders engage with hard questions and listen to different perspectives, they enable everyone to see more of the ecosystem they are trying to influence.

To help with this approach, leaders can run scenarios: What if X happens? How will we handle Y? Is it worth giving up A to get B? Through those conversations, executives and peers have space to express their concerns and hesitations, assess whether the effort is truly worth its costs, and prepare for strategic investments that might otherwise have raised red flags. This shared understanding helps them avoid unintended consequences, generates greater alignment and commitment, and provides the context needed for individuals to make effective judgment calls as conditions evolve.

The trade-offs of engaging trade-offs

Even as the world continues to grapple with the coronavirus pandemic, it is clear that other critical issues — climate change, racial injustice, political instability, income inequality — will challenge organizations in the future, forcing them to continuously adapt. In this context, the change management tools designed for more stable, predictable environments will not work. When it's unclear what will happen next month, leaders cannot "manage by objectives" or create three-year plans.

Despite this fast pace of change, leaders should not default to an aggressive

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timeline and succumb to short-term pressure to roll out change initiatives and push them through to the finish. Instead, the approach we propose will force people to go slower than they are accustomed to at the start. It requires the involvement of people who have been labeled as troublemakers, resisters, or annoyances. It challenges leaders' ideas about the need for change being self-evident and indisputable. And it invites leaders to be vulnerable — something many executives shy away from in favor of being perceived as powerful.

When they take this approach, leaders are able to identify and invest in the highest-value areas that are ripe for reinvention, then invite others to participate in the design. Employees in this scenario are not just implementers but rather innovators, figuring out ways to break through historical limits and difficult realities. This all may seem daunting, but it's well worth the effort. The work of engaging trade-offs and hard questions creates a stronger, longer-lasting change. ✚

Resources

Barry Johnson, *Polarity Management: Identifying and Managing Unsolvable Problems* (HRD Press, 1992): A groundbreaking book that shows how ignoring or denying trade-offs leads to resistance and poor results.

Robert Kegan and Lisa Laskow Lahey, *Immunity to Change: How to Overcome It and Unlock the Potential in Yourself and Your Organization* (Harvard Business Press, 2009): An investigation of organizational resistance through the lens of competing commitments.

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Rick Maurer, *Beyond the Wall of Resistance: Why 70% of All Changes Still Fail — and What You Can Do About It* (Bard Press, 1995): A highly influential, practical guide to why resistance occurs and how to address it.

Gillian Tett, *The Silo Effect: The Peril of Expertise and the Promise of Breaking Down Barriers* (Simon & Schuster, 2015): An anthropologist's analysis of the organizational barriers that prevent companies from recognizing and addressing trade-offs as "one company."