

CHANGE MANAGEMENT

Leaders Focus Too Much on Changing Policies, and Not Enough on Changing Minds

by [Tony Schwartz](#)

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Not long ago, I asked 100 CEOs attending a conference how many of them were currently involved in a significant business transformation. Nearly all of them raised their hands, which was no surprise. According to a study by BCG, 85% of

companies have undertaken a transformation during the past decade.

The same research found that nearly 75% of those transformations fail to improve business performance, either short-term or long-term.

So why is transformation so difficult to achieve?

Among many potential explanations, one that gets very little attention may be the most fundamental: the invisible fears and insecurities that keep us locked into behaviors even when we know rationally that they don't serve us well. Add to that the anxiety that nearly all human beings experience in the face of change.

Nonetheless, most organizations pay far more attention to strategy and execution than they do to what their people are feeling and thinking when they're asked to embrace a transformation. Resistance, especially when it is passive, invisible, and unconscious, can derail even the best strategy.

Business transformations are typically built around new structural elements, including policies, processes, facilities, and technology. Some companies also focus on behaviors — defining new practices, training new skills, or asking employees for new deliverables.

What most organizations typically overlook is the internal shift — what people think and feel — which has to occur in order to bring the strategy to life. This is where resistance tends to arise — cognitively in the form of fixed beliefs, deeply held assumptions and blind spots; and emotionally, in the form of the fear and insecurity that change engenders. All of this rolls up into our mindset, which reflects how we see the world, what we believe and how that makes us feel.

The result is that transforming a business also depends on transforming individuals — beginning with the most senior leaders and influencers. Few of them, in our experience, have spent much time observing and understanding their own motivations, challenging their assumptions, or pushing beyond their intellectual and emotional comfort zones. The result is something that the psychologists Lisa Lahey and Robert Kegan have termed “immunity to change.”

We first ran up against the power of mindset two decades ago when we began to make a case inside organizations that rest and renewal are essential for sustaining high performance. The scientific evidence we presented to clients was compelling. Nearly all of them found the concept persuasive and appealing, both logically and intuitively. We taught them very simple strategies to build renewal into their lives, and they left our workshops eager to change the way they worked.

Nonetheless, most of them struggled with changing their behavior when they got back to their jobs. They continued to equate continuous work and long hours with success. Taking time to renew during work days made them feel as if they were slacking. Even when organizations built nap rooms, they often went unused. People worried that if they rested at all, they wouldn't get their work done, and above all, they feared failing. Despite their best intentions, many of them eventually defaulted back to their habitual patterns.

More recently, we worked with the senior team of a large consumer product company which had been severely disrupted by smaller, more agile online competitors selling their services directly to consumers. On its face, the team was aligned, focused, and committed to a new multi-faceted strategy with a strong digital component. But when we looked at the team's mindset more deeply, we discovered that they shared several underlying beliefs including, “Everything we

do is equally important,” “More is always better,” and “It has to be perfect or we don’t do it.” They summarized these beliefs in a single sentence: “If we don’t keep running as hard as we can, and attend to every detail, everything will fall apart.”

Not surprisingly, the leaders found they were spreading themselves too thin, struggling to pull the trigger on new initiatives, and feeling exhausted. Simply surfacing these costs and their consequences proved highly valuable and motivating. We also launched several initiatives to address these issues individually and collectively.

One of the most successful began with a simple exercise aimed at helping the leaders to define their three highest priorities. Then we took them through a structured exercise including delving into their calendars to assess whether they were using their time to best advantage, including setting aside time for renewal. This process prompted them to examine more consciously why they were working in self-defeating ways.

We also developed an online site where leaders agreed to regularly share their progress on prioritizing, as well as any feelings of resistance that were arising, and how they managed them. Their work is ongoing, but among the most common feelings people reported were liberation and relief. Their worst fears failed to materialize.

Several factors typically hold mindset in place. The first is that much of it gets deeply rooted early in our lives. Over time we tend to develop confirmation bias, forever seeking evidence that reinforces what we already believe, and downplaying or dismissing what doesn’t. We’re also designed, both genetically and instinctively,

to put our own safety first, and to avoid taking too much risk. Rather than using our capacity for critical thinking to assess new possibilities, we often co-opt our prefrontal cortex to rationalize choices that were actually driven by our emotions.

All this explains why the most effective transformation begins with what's going on inside people — and especially the most senior leaders, given their disproportionate authority and influence. Their challenge is to deliberately turn attention inward in order to begin noticing the fixed patterns in their thinking, how they're feeling in any given moment, and how quickly the instinct for self-preservation can overwhelm rationality and a longer term perspective, especially when the stakes are high.

Leaders also have an outsize impact on the collective mindset — meaning the organizational culture. As they begin to change the way they think and feel, they're more able to model new behaviors and communicate to others more authentically and persuasively. Even employees highly resistant to change tend to follow their leaders, simply because most people prefer to fit in, rather than stick out.

Ultimately, personal transformation requires the courage to challenge one's current comfort zone, and to tolerate that discomfort without overreacting. One of the most effective tools, we've found is a series of provocative questions we ask leaders and their teams to build a practice around asking themselves:

“What am I not seeing?”

“What else is true?”

“What is my responsibility in this situation?”

“How is my perspective being influenced by my fears?”

Great strategy remains foundational to transformation, but successful execution also requires surfacing and continuously addressing the invisible reasons that people and cultures so often resist changing, even when the way they’re working isn’t working.



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