Mind-sets matter in transformations: A conversation with Jon Garcia

February 2019

How can companies overcome the daunting odds against an organizational transformation succeeding?

When organizations undertake a transformation to improve performance, research shows those efforts fail 70 percent of the time. In this video, Jon Garcia, founder and president of McKinsey RTS, explains how to beat those odds. Transformational change requires individuals to behave differently, which means that leaders must address how people think and act in their day-to-day work. Jon discusses how leaders can make a compelling case for change and act as a role model who will inspire others to adopt new behaviors. An edited transcript of his remarks follows.

Interview transcript

Research suggests that about 70 percent of the time, efforts to change fundamentally the performance of an organization don't work. The goals that are set are never accomplished, or perhaps they take too long, or the change is only temporary, and gains are frittered away after a couple of years.

Rarely does the management team misunderstand what needs to happen. More often, the issue is execution. How do you execute the change that you know needs to happen?

In my experience, there are a few things that tend to be issues, starting with the simple idea that old habits die hard. In other words, transformational change really does require individuals throughout the organization to behave differently on a day-to-day basis. It often means changing processes and procedures that have been in place forever. That's hard, because it's a natural human instinct to resist change. So you've got to address how people think and act in their day-to-day work.

That goes to point number two: the idea that mind-sets matter. You've got to win the hearts and minds in an organization to get it to change. You have to ensure that the people inside the organization understand the rationale for change in the first place. It might be crystal clear in the boardroom or in the executive suite why the organization needs to act differently. But that's seldom the case on the front line.

So successful transformation leaders make it their business to focus on getting inside the mind-sets of their organizations and understanding how attitudes need to evolve to enable the sort of broad-scale, fundamental change that's necessary to deliver a real quantum improvement in performance.

Many organizations fail to think about transformation holistically. The most successful transformations begin with a simple proposition: everything has to be on the table. That doesn't mean that all levers will be given equal weight or all areas will receive equal priority. But if nothing is off the table, the effort to transform the company will be truly comprehensive.

Leadership is probably the most important part of this challenge. Leaders take people where they otherwise would not go. The most successful transformation leaders create a compelling case for change. They role model the kinds of behaviors that they want to see throughout the organization. They create rewards and recognitions, reinforcing processes and policies to ensure the transformation succeeds. Finally, they inspire their colleagues, because every employee makes a choice, every day, about how much discretionary effort to give. That's a reservoir that great leaders tap into.

Transformational change is hard. There's no doubt about it. Successful leaders align their teams behind them. They target the bad, old habits that represent the past, and they tackle the mind-sets in the organization that stand in the way of fundamental change. In that way, they change the odds in their favor and ensure that their transformation succeeds. ◻