Debunked: The Myth That 70 Percent of Change Initiatives Fail



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After a long and painful existence, the “Myth that 70 Percent of Change Initiatives Fail” was laid to rest alongside other tenacious old saws like the “Myth that The Customer is Always Right” (thank you, Steve Jobs, who exposed that customers had no idea that they wanted) and the “Myth to Under Promise and Over Deliver ” (thank you, Jeff Bezos, who created enormous promises and then, quite literally, delivered). Now, the “Myth that 70 Percent of Change Initiatives Fail” has been a boogeyman for leaders of startups to leaders of multinational corporations. It has frozen leaders with fear of failure in

the decades since its birth. But it is a phantom, a myth concocted to sell consulting services and create dependency on those firms.

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The birth of a myth

In 1990, Michael Hammer wrote an article in the *Harvard Business Review* that primed the business process reengineering movement. The article was the way-finder for the book he wrote with James Champy, *Reengineering the Corporation,* which ignited the flame of business process reengineering efforts around the globe. Describing the successes of American companies in the 1980s with a focus on quality, Hammer and Champy blazed a trial. Many followed. One unintended side effect was a fairly innocuous passage in the book:

"Sadly, we must report that despite the success stories described in previous chapters, many companies that begin reengineering don't succeed at it. Our unscientific estimate is that as many as 50 percent to 70 percent of the organizations that undertake a reengineering effort do not achieve the dramatic results they intended."

This passage was aggressively used to create the myth of change initiative failure. So egregious was the misuse of this quote that just three years later in the book, *The Reengineering Revolution*, Hammer and Steven Stanton repudiated the myth birthed in the previous book with this lament:

"In *Reengineering* the Corporation, we estimated that between 50 and 70 percent of reengineering efforts were not successful in achieving the desired breakthrough performance. Unfortunately, this simple descriptive observation has been widely misrepresented and transmogrified and distorted into a normative statement. There is no inherent success or failure rate for reengineering."

But it was too late. The myth had taken hold and was soon to be retold over and over until it was held as truth.

Consulting firms have proliferated this myth

A myth can only take hold if the kernel of the myth serves a purpose. In this case, the purpose was increasing consulting project sales. The idea presented by some of the largest consulting firms in the world was that with a 70% failure rate, your large change initiative (merger, technology implementation, reorganization) would likely fail if not for the help of their very prestigious consulting firm with its very prodigious fees. These firms self-published articles and studies that quoted this failure rate and then used those articles as "proof" that the myth was true.

Mark Hughes exposes the fallacy of these claims of failure in "Do 70 Percent of All Change Initiatives Really Fail?" (Journal of Change Management Vol 11 No. 4 December 2011). In this peer-reviewed article (a claim of academic integrity that none of the consultancies can own), Hughes carefully lays out the trail and the "smoking-gun" articles that started this myth.

In more recent years, these consultancies have self-published articles claiming that they have studied the failure rate and found that it is indeed 70 percent. How these studies are conducted is never described. Were they before the intervention of the consultancy or after (after would be a curious result to publish)? In no case are they peer-reviewed. The data, collection methods, and analysis are not shared, only the self-serving result.

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Changing the bias towards change initiatives

Around the time that Mark Hughes was exposing the reality of the myth that 70 percent of change management initiatives fail, organizations were forming to bring professionals together to improve change management competencies. The Change Management Institute (CMI) formed in 2005, followed by the Association of Change Management Professionals (ACMP) in 2011. Although started in different countries, both organizations are international and provide certification of change professionals. Through their conferences, webinars, and publications, they have proliferated a body of knowledge that provides professionals with the tools, concepts, and theory to build their competencies upon. The result of these efforts is a growing number of certified professionals around the world engaged in the management of change initiatives.

Yet the pallor of the myth hangs over their heads. Endeavors presumed to have an inherent 70 percent failure rate are hard to get started in any organization. The lack of confidence of leaders to take on these efforts is widely reported in the conferences of both organizations as they wrestle with the daunting task of not only accomplishing the work but also even getting to do the work. It’s hard to step in when the story is so negative.

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Here’s a better take

While consulting firms were churning out self-referencing and self-serving articles, academics have been attempting to understand what it means to change as an organization, what success means, and what failure means. Just recently, a useful framework for understanding change failure (and therefore also

success) was offered within Loizos Heracleous and Jean Bartunek's article "Organization change failure, deep structures and temporality: Appreciating Wonderland."

Their framework for understanding change is offered in three layers:

Change as intervention: Change as a goal-oriented, linear process, characterized by a number of stages or consecutive steps needed to reach the goal.

Change as process: Change as incremental or radical, multi-directional, occurring simultaneously on several organizational dimensions.

Change as structuration: Change occurs at interrelated levels of surface events and deep structures over time.

The notion of easily measurable change failure, whether at a 70 percent rate or not, is grounded in the first layer of change as intervention. Embracing the move to agile as both a process for business activity as well as a business mindset, Change as process recognizes the more complex nature of change that is lost in the "move from point A to point B" approach of the first layer. Change as process recognizes a portfolio of large and small changes occurring simultaneously in various parts of the organization. Change as structurization, however, goes even further and looks to understand change as multi-layered and multi-temporal, which impacts the very structures of an organization. In a word: culture.

This framing of change as impacting culture allows an understanding beyond just success-or-failure. It takes into account success as a road to failure through complacency as well as failure as a means to success through learning. The latter is clearly illustrated by NASA. In January 1967, as NASA raced toward the moon, it suffered the catastrophic loss of Apollo One while testing on launchpad 34. All three astronauts died in the fire that enveloped the interior of the

spacecraft. NASA changed. Although it was clearly a devastating failure, NASA learned from it and within 30 months launched four more Apollo missions, with Apollo 11 landing on the moon. Certainly, and in a very tragic sense, Apollo Eight was a “change failure.” Yet within just a handful of years, six Apollo missions successfully landed on the moon. It was this failure that bred the later success. A success that came from a culture of learning and improvement embedded in the engineering culture that pervaded NASA in the 1960s.

The better story of change success or failure may have much more to do with the impact of both success or failure on an organization’s culture. To be sure, the history of business is rife with companies that enjoyed enormous success, only to become complacent and then overcome by others (Kodak, Xerox, Circuit City). In contrast, other organizations have experienced extreme change failures only to use those to bolster or even alter their culture to become more effective (Apple, IBM, NASA).

The myth that 70 percent of change initiatives fail has been laid to rest, but let us embrace what it has taught us. Pat answers and simple saws are no replacement for investigation and constant thought about what makes organizations work. Perhaps we should question any aphorism that lurks for so long without any critical examination. Let us heed those who have worked so hard to bring clarity to the truth. More importantly, let us take action to examine the impact of change success or failure on our own organizations and find a way to use both to imbue lessons into our culture.

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