



embrace  
**change**

It's here to stay

# We are in a time of extraordinary, never-ending change. The need to adapt, both professionally and personally, is constant. New challenges and changed ways of working are here to stay.

## How to make change feel natural when it's anything but

Effective change management helps transform the unsettling to something that feels more routine and natural. It addresses the logical and emotional aspects of change through a purposeful and connected change experience journey. Targeted interventions then lead to greater commitment and adoption.

At Mercer, we believe that individuals don't resist change, but being changed. Everyone wants to feel in control—that's why change is emotional. Change of all kinds impacts our core human needs. When threatened, powerful emotional reactions can occur. Thoughtful change management can reframe perceived threats and shift the focus from challenges to opportunities, or simply acceptance of the new realities the change creates.

The journey to change feeling natural is complex. Effectively influencing decisions and changing behavior requires a well-orchestrated and targeted approach, which goes well beyond project management.

## Mercer's Point of View

### Put people at the heart of change

It is essential to focus on the employee perspective when developing a change management approach, and that all communication and support activities align with the overall change journey. Any organizational change is ultimately part of the employee experience, so it should aim to strengthen or reinforce that experience. This means increasing the ratio of listening to, communicating, and actively engaging stakeholders through co-creation.

**85% of companies surveyed are co-creating new employee experiences with their people.**

Mercer Global Talent Trends, 2022



### Equipping Cultural Change

KION Group lacked a common culture and identity, with seven brands, a new corporate strategy, and organizational model. At the risk of trying to tackle too much at once, KION combined its business transformation, HR redesign, and communication strategy into one project. This allowed for a people-centered transformation agenda, which laid the foundation for a common culture, values, and leadership guidelines.

Central to this approach was understanding the employee experience through extensive, local-level conversations. The CHRO and his team then co-created personalized messages to support the launch of the new strategy to ensure it felt relevant to each employee. This decentralized, dialogue-rich approach to the transformation journey generated 1,000 touchpoints that now form a global network embedded throughout the organization, as well as a new HR communication process with tools that gather continuous feedback. This will serve KION well as it continuously evolves its strategy and culture, united by a shared purpose and identity.



**No change effort is exactly the same as the last. At Mercer, we developed a flexible, five-lever framework to create sustainable change. We call them levers because they are not always consecutive steps, but rather a series of interventions deployed throughout the change process.**

- ALIGN** leadership and define the reason for change.
- ENGAGE** stakeholders and co-create to build a desirable future.
- COMMUNICATE** to set expectations, mitigate risk, and promote the change narrative.
- ENABLE** to create deeper understanding and acceptance.
- ACTIVATE** and monitor the experience across the business to ensure accountability and sustainability.



By using these levers to engage at the right time, we transform the change narrative from one where employees are told what is being changed—which can foster a resistance to the change—to one where employees are part of the change and can envision the opportunities and/or realities it presents. Activating these levers creates a significant transformation of the approach, from transactional change implementation to people-centered, sustainable behavior change.

# More than levers...

## Dos and don'ts of change management

### 1 Don't shortcut the process because it's hard or uncomfortable

Change is an experience journey and every change starts with momentum (e.g., an event, key decision). This momentum explains why a change is necessary. It is the realization that the imbalance between expectations (to be) and reality (as is) needs to be actively addressed.

The change process is split into two essential phases during which the intensity of the change increases.

**Phase 1** is the exploration and understanding of the nature of change; **Phase 2** is the experience and application of the change.

**Based on behavioral science, we know that different people need different experiences to accept change:**

**Logical.** People cognitively understand that there is a change and why the change is happening.

**Emotional.** People develop positive and negative feelings such as uncertainty, curiosity, or courage regarding the change.

**Desirable.** People develop an attractive or ideal image in their minds, thinking about what the advantages of the change might be.

**Tangible.** The change becomes tangible when people have experiences that help them imagine and understand what it might be like once the change becomes reality.

**Natural.** New routines have been established and little thought is given to how things were before the change.

## Meet Drew.

Drew moved to the city after graduation. Close to work. Lots to do. Great fun for a single 20-something. Fast forward 10 years, and Drew, party of 1, is now the Jones family, party of 3 (or 4, if you count the dog). City living does not have the same appeal now as it did before. Drew thinks, "Perhaps we should find a nice place outside of the city to settle down."

Let's take a look at the Jones family as they embark on a new adventure:

### Logical

You sign the contract for a new home in the countryside.

### Emotional

You're anxious at first that living in the countryside may be boring, even though life in the city might be stressful.

### Desirable

You begin developing an ideal image of what your new home will be like and start thinking about having breakfast on the new porch and not having any noisy neighbors.

### Tangible

You unpack the moving boxes in your new home and the change becomes tangible. You can imagine what it will be like when the change becomes reality. Everything—including the new porch—feels real.

### Natural

You have established new routines and give little thought to how things were before the change. For example, you feel at home in your new place and can even find the light switch in the dark.





**It's essential to develop the change management strategy, communication, and support activities from the employee's perspective, and to align them with the overall change journey.**

## **2** Do create a people-centered approach

Regardless of why a change may be needed, centering change on your people is key. Developing a shared understanding of the change momentum (the need for change) and then engaging leaders and other stakeholders to create a people-centered change experience journey are critical first steps. By aligning on the “why, what, and how,” leadership and other key stakeholders can understand and engage the broader workforce to achieve the goals for the desired future state.

Engaging people involves listening and two-way conversations about the shared journey. Building a mutual understanding of the current state, desired state, and the steps necessary to get there creates immediate buy-in.

Helping people explore and understand the nature and necessity of change by involving them in the journey can create commitment and excitement to be part of a desirable future. Accelerating the acceptance and desire for change makes it less disruptive and more sustainable. Sustainable change has become even more important in 2022. Among C-suite executives

surveyed, 41% stated that fundamentally shifting their business required a complete reset around work, the workforce, and the workplace (Mercer Global Talent Trends, 2022). These are big changes, which rely on effective management, as well as understanding the readiness for change across the organization.

## **3** Do engage key stakeholders early and often

Analyzing readiness for change among different groups will surface obstacles as well as advantages along the way. If change is left unmanaged, people may anticipate the worst. By listening to concerns, gathering input, and managing expectations for what's coming, strategic change management can reduce negative thoughts and replace them with certainty, trust, and hope. Instead of focusing on a project planning process, change management focuses on co-creating the process through targeted interventions and conversations along the way. Through a series of interactions and levers, we work with you to identify your stakeholders and the critical target groups needed to develop a shared strategic understanding of the nature and necessity of the change.

## 4 Don't confuse change management with project management

When talking about the change process, project management and change management are sometimes considered the same thing. Process often equates to project management, but “process” in change management is different. Change management focuses on the acceptance of change rather than only ensuring project execution is on time and on budget. It is often difficult to “envision” or understand change management approaches because they focus on interventions and interactions rather than just “deliverables” and project management.

**Thoughtful change management helps de-risk projects, because it addresses leadership alignment, two-way engagement, communication, and training. It also provides ongoing and sustainable accountability.**

Change management may often be confused with tactical communication and training as well. Both are critical components of change but by themselves do not create behavior change. In fact, tactical communication and training may be perceived as trying to change people. Rather than telling them what they must do, create opportunities for dialogue and co-creation to ensure engagement and alignment in the change process. Help people understand the value of the change effort and its potential benefits. For instance, transparency and openness from leadership can enhance trust while employee involvement in analyzing new systems or processes can help identify the realities of the change. That, in turn, can help you develop better recommendations for potential interventions and create meaningful shifts in the culture of the organization.

Setting targets and measuring the progress of change are equally important because change management steps are not always linear. Each step and any subsequent results may require a return to previous interventions to address new challenges.

Measuring progress is essential for keeping initiatives on track and keeping up momentum and motivation—especially over the course of longer change projects. Communicating the measured progress shows employees that their efforts contributed to project success. By using employee listening methods (e.g., pulse surveys or digital focus groups) and transparent KPI dashboards, we can identify issues and course correct as needed. When used effectively, measurement supports learning about what works and what doesn't.

## 5 Do partner with Mercer to get meaningful results

Effective change management leads to business results. If change feels natural, it becomes part of the culture and employees will embrace and celebrate it and the newly created opportunities. Effective change does not happen by accident. It relies on pragmatic, evidence-based approaches as well as people—from leaders to front-line employees understanding, embracing, and actively engaging in the change. The goal is for stakeholders to naturally operate in new ways, which can help drive business success.

Mercer's change approach is a blend of the logical and emotional (Jonathan Haidt, NYU psychologist). We know people and we know change. Our approach builds on early leadership buy-in and successful implementation of organizational behavioral change by working with you to identify key organizational levers, starting from a deep understanding of the organization and its employees' key concerns.

**81% of business executives think that the business agenda and the people agenda have never been more entwined.**

Mercer Global Talent Trends, 2022

Company leadership and HR play important roles in driving effective change. Leadership has the responsibility to support change not only at a strategic operational level, but also at an emotional level. They must inspire and model the changes within the organization, but leadership needs organizational support. As business agendas and people agendas become more entwined, it is clear that HR has become a strategic partner for change. Their role as key stewards of the people agenda will be imperative for change management success as they work alongside business leaders to bring employees from the *logical to natural* phase of the change journey.

**We help people understand the nature and necessity of change. We create commitment and excitement. We embrace change. You can, too.**



Mercer's strategic change experts serve projects globally within a consistent framework. We help clients maintain standards and strengthen change governance in all project sizes, from small one-time changes to big transformation programs for locations spread across the globe.

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Mercer offers a suite of consulting services to help support sustainable change, transform your employee experience, accelerate digital implementation, and strategically communicate with employees. To learn more, reach out to your Mercer consultant or contact us.