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Transformations that put humans at the centre are 2.6 times more likely to succeed

Underperforming transformations can increase the emotional strain on the workforce by 136%
67% of respondents have experienced at least one underperforming transformation in the last five years

Research identifies six key drivers for transformation success

The complex factors that influence the success or failure of a business transformation are rooted in human emotions, according to joint research with EY, based on a survey of 935 senior leaders and direct reports, as well as 1,127 workforce members from 23 countries and 16 industry sectors.

Leaders who prioritise workforce emotions in their transformations are 2.6 times more likely to be successful than those who don't, according to the research. In addition, more than half of respondents (52%) in high-performing transformations said that their organisation provided them with the emotional support they needed during the process. Conversely, the emotional strain on the workforce increases by 136% during an underperforming transformation.

Successful transformation is critical for organisations to thrive, and the research finds that the drive for change is accelerating, with 85% of respondents having been involved in two or more major transformations in the past five years. At the same time, the rate of failure for transformation projects remains stubbornly high, with 67% of respondents having experienced at least one underperforming transformation during the same time.



Andrew White, who was involved in the project, says:

'We live in disruptive times where the pace of change is ever accelerating and for many businesses, transformation is do or die; but too often it is seen as a dirty word, a fig leaf for redundancies, where a failure in vision and leadership leads to an overworked, stressed and untrusting workforce. This research shows that bringing emotions to the heart of transformation significantly increases the chance of success and safeguards the well-being of workforces. Leaders must embrace the inevitable emotional journey that flows through every transformation and lead their people through each step of it, if they are to turn vision into reality and make change exhilarating.'

Errol Gardner, EY Global Vice Chair of Consulting, says:

'In a successful transformation, leaders invest at the outset to build the conditions for success, both at a rational and emotional level. By contrast, the emotional strain that both leaders and employees experience in a failed transformation comes at a high human cost. The key to turning transformation failure into success relies on the ability of organisations and their leaders to completely redesign transformations with humans at the center.'

Six drivers that can lead to transformation success

The research finds that maximising the emotional impact of six key drivers can increase the probability of transformation success. They are:

1. **Adapt and nurture leadership skills:** The workforce ranks leadership as the top driver regardless of the success or failure of the transformation.
2. **Create an inspirational vision that the workforce can believe in:** Nearly half (49%) of respondents in a high-performing transformation said the vision was clear and compelling compared with 27% of those in a low-performing transformation.
3. **Build a culture that embraces and empowers everyone's opinion:** Leaders need to harness the right emotions to keep workers engaged and motivated, while providing enough emotional support to prevent anxiety and burnout.
4. **Set clear responsibilities and be prepared for change:** Leaders should provide the structure and discipline, as well as the creative freedom to explore and innovate, while creating autonomy for the organisation to execute.
5. **Use technology to drive visible action:** Leaders should prove the value of new technology-enabled approaches early and enlist early adopters and influencers to bring the workforce along.
6. **Find the best ways to connect and co-create:** Leaders need to create a safe space where new ways of working can emerge to nurture innovation, engagement and fulfilling work.

Norman Lonergan, EY Global People Advisory Services Leader, says:

'Leaders know their organisations need to transform, but many are unsettled by the prospect of change. By harnessing both the rational and emotional power of their people, leaders can ensure measurable success of their organisation's transformations. This is facilitated by having and communicating a shared vision, effectively managing their peoples' emotional journeys, and empowering them to turn vision into reality.'



Reflecting on the findings, Michael Smets says: (<https://www.sbs.ox.ac.uk/about-us/people/michael-smets>)

‘Especially in an era of digital transformation it is just too easy to put technologies or solutions at the heart of transformation, but the heart of transformation must be human. This means going beyond ‘people-centric’ approaches that treat people as embodiments of skills and capabilities. Positioning humans as the core of transformations, means putting the whole human – the rational and the emotional – at the heart of transformations.’

To accompany the research findings the project leads from Oxford Saïd and EY, Andrew White and Adam Canwell teamed up to create a special podcast miniseries *Transformation Leadership2050* (<https://www.sbs.ox.ac.uk/oxford-answers/tags/transformation-leadership>), a spinoff of Andrew’s

very successful existing podcast **Leadership2050** (<https://www.sbs.ox.ac.uk/oxford-answers/tags/leadership-2050>).

In *Transformation Leadership2050* series Andrew and Adam explore the emotional journey six global leaders, who took part in the survey, went through as they successfully led their organisations through significant change. Throughout the episodes you will hear from leaders in Europe, Australia and the US working across a range of industries from healthcare and consumer goods to electronics and Adam and Andrew will delve deeper into the findings from our research.

Weekly episodes will be available every Thursday from 30 June 2022.

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