

Social, Healthcare, and Public Entities Practices

# America 2021: Making change happen, against the odds

To America's leaders, innovators, and changemakers: knowing how to effect change is just as important as knowing what to change.

*by J. R. Maxwell and Kirk Rieckhoff*



**Of all the leaders seeking change for our country,** none have more potential impact than the incoming cadre of cabinet leaders and agency directors. Congratulations on your recent appointments. As you are well aware, the United States is in an unprecedented position. Between growing concerns on climate, a renewed focus on equity of opportunities, an unrelenting pandemic, and a deeply shocked economy, the United States is facing domestic headwinds and complexities on a scale that has not been experienced in almost a century. To prevail in this endeavor, the administration will need to move swiftly and decisively—bringing the whole of government to bear across all four fronts.

As agency and department leads, you will be asked to support these priorities. Your vision and leadership will likely produce a set of signature initiatives that you want to address. All of this must be considered in light of the mission of the organization you lead and the challenges the organization is already tackling. And it's likely you'll be faced with the need to revitalize a federal workforce with plummeting morale and lack of trust in government leadership.<sup>1</sup> As a new leader, you'll have lots of eyes on you. People within and without your group will naturally want to understand what kind of a leader you are, how serious you are about your vision, and how serious you are about the changes you're looking to make. And just in case that's not hard enough, this is all taking place in the context of the federal government—with all the rules, fragmentation of authority, and scrutiny that comes with public service.

That's a tall order, but it's doable. We've seen many examples of successful change over the years in federal agencies. In this brief memo, we've tried to distill from them a set of pragmatic recommendations for you to consider. We approach this topic humbly, recognizing managing change is not a new topic and is devilishly tricky. As far back as 500 years ago, Machiavelli himself noted, "There is nothing more difficult to take in hand, more perilous

to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things." Or as today's Instagrammers might put it, "Change sucks."

So, how do you make change happen? To start, we recommend splitting the problem in two halves and then tackling each. Both can be framed as questions; for each there are four techniques to find the answers:

- How do you get people on board with you?
  1. Start with describing the "five deep whys" of any change
  2. Understand why the change isn't already happening
  3. Specifically, determine what's needed to thaw the "frozen middle"—the layer of management in which the real power and insight lies
  4. Make the tough calls on your teammates at the beginning of the process, not at the end
- How do you set up the mechanics of change?
  1. Select from three types of change "engines" and use one to power each signature initiative
  2. Create a fundamental force for change using performance management
  3. Avoid the illusion of quick wins; focus instead on speeding up decisions, making tangible progress, and using that to show change can happen
  4. Make the changes a natural act for the frozen middle

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<sup>1</sup> *Mismatched priorities, unmet expectations: The state of organizational culture in federal government*, Eagle Hill Consulting, eaglehillconsulting.com; *Federal employee viewpoint survey*, US Office of Personnel Management, 2019, opm.gov; *Government-wide analysis: Overall findings and private-sector comparison*, Best Places to Work, 2019, bestplacestowork.org; *High-risk series: Substantial efforts needed to achieve greater progress in high-risk areas*, US Government Accountability Office, March 2019, gao.gov; *Policy, data, and oversight: Data, analysis, and documentation*, US Office of Personnel Management, 2017–18, opm.gov; *Senior executive service: Fiscal year 2014–18*, US Office of Personnel Management, opm.gov.

## How do you get people on board with you?

As a new leader in a new role, it can often feel like you're grabbing at clouds. The leaders we've learned from start with the so-called soft stuff—making the change personal and using influence tactics to change the hearts and minds of key people in their organizations. You can use four practical techniques to bring these people along for the ride you want to take; in turn, they will bring others:

- **Start with describing the five deep whys of any change.** The deep whys come from how people find meaning—what motivates us as individuals to do something. In any organization, people are motivated variously *to achieve the mission; to fulfill their commitment to the organization; to protect their tribe; to meet customers' (in this case, citizens') needs; and to improve themselves.* No one technique is better than another. Each of us leans toward the one that means the most to us, and we communicate that same meaning to others. However, when we do that, it often leaves the other four whys uncovered. As you develop a priority initiative, flesh out how it touches on each of the five whys, and communicate using all five meanings.
- **Understand why the change isn't already happening.** Often when leaders join organizations, the change they want to make seems self-evident. Instead of saying some version of "Why aren't you doing this?" ask, "What's holding people back?" In our research, 70 percent of the reason change doesn't happen is due to people's mindsets and beliefs.<sup>2</sup> Of course resourcing is important, but typically (especially in big change efforts) it's not the roadblock. Even such often-cited roadblocks as "those are the rules" and "I don't have the authority to do that" are often less real or confining than people think.
- **Thaw the frozen middle.** Our research shows that in most organizations, a few people routinely

participate in all the conversations worth having.<sup>3</sup> New leaders can use proven tools to identify the people who everyone else consults to get something done, and then engage these hidden influencers to test, refine, and help execute the change.

- **Make the tough calls on your teammates at the beginning of the process, not at the end.** Start by investing time up front with your leadership team to ensure they understand what you are solving for. Be explicit about what each team member (including you) needs to do to reach the aspiration and openly discuss the elements of your initiatives that are nonnegotiable. The final part of alignment then becomes agreeing on what success looks like and how to overcome likely barriers. Leaders who invested this time up front were 30 times more successful than those who did not.<sup>4</sup> But with all that said, the number-one regret of change leaders is not moving faster to address people who were resistant to change. If it's just not going to happen, make an early call and help them be successful somewhere other than on your leadership team.

## How do you set up the mechanics of change?

The second half of the problem—the hard stuff—is focused on changing the system that the individuals work in, so that the change you want is a natural thing to happen. If your organization is hungry for large-scale change, you can employ a tried-and-true approach.<sup>5</sup> If your organization is not yet ready or needs a jump start, we suggest deploying four pragmatic steps from day one:

- **Select from three types of change engines to power each initiative.** We have found three proven approaches to driving change, and they fall on a spectrum of how much the change initiative is pulled out of the current organizational structure and way of doing business (exhibit).

<sup>2</sup> Martin Checinski, Roland Dillon, Solveigh Hieronimus, and Julia Klier, "Putting people at the heart of public-sector transformations," March 2019, McKinsey.com.

<sup>3</sup> Lili Duan, Emily Sheeren, and Leigh M. Weiss, "Tapping the power of hidden influencers," *McKinsey Quarterly*, March 2014, McKinsey.com.

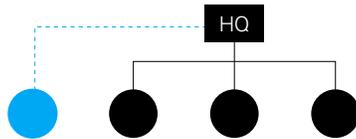
<sup>4</sup> Steven Aronowitz, Aaron De Smet, and Deirdre McGinty, "Getting organizational redesign right," *McKinsey Quarterly*, June 2015, McKinsey.com.

<sup>5</sup> Scott Keller and Bill Schaninger, *Beyond Performance 2.0*, John Wiley & Sons, July 2019.

**Different change approaches can be used for separate initiatives, but using only a single approach for each initiative is recommended.**

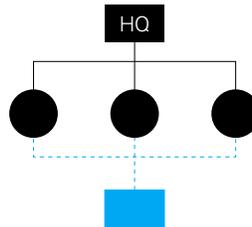
**Different change-approach options**

**● Incubator**



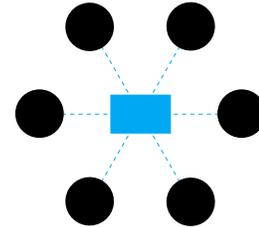
An **incubator** approach carves out a change initiative entirely from the current organization, establishing a separate entity under a separate structure. Leadership transforms this group by shifting how work is done at every step and extrapolates the new ways of working to the rest of the organization.

**■ Pathfinder**



A **pathfinder** approach creates a motivated, agile team to lead change within a part of the organization. The team temporarily consolidates authority, funding, talent, and responsibility, and stands as the model of change leadership and excellence for the whole organization.

**■ Transformation office**



A **transformation-office** approach embraces the entire organization but offers new ideas to break through obstacles and drive change. The transformation office has ample authority and resources and does its work through demanding, rigorous performance dialogues with initiative owners.

Different change approaches can be used for separate initiatives in flight simultaneously, but we recommend that only a single approach be used for each individual initiative.

- **An incubator approach** carves out a change initiative entirely from the current organization, establishing a separate entity under a separate structure. Leadership then looks to transform this group end to end, shifting how work is done at every step. When that's done, you can extrapolate the new ways of working and goals to the rest of the organization, and align incentives to support them. Initiatives that don't fit well with your current structure and that require the creation of a new group in your organization would be good candidates for this approach.
- **A pathfinder approach** creates a motivated team to lead change within a part of the organization. You can form an agile team that

temporarily consolidates authority, funding, talent, and responsibility; leads change throughout one tranche of the organization; and stands as the model of excellence for the whole organization to follow. Functional or capability-based transformations such as digitization would be good candidates for this approach.

- **A transformation-office approach** embraces the entire organization but offers new ideas to break through obstacles and drive change. This is quite different from a project-management office; the transformation office has more authority and resources, and does its work through demanding, rigorous performance dialogues every week with initiative owners. This style surfaces barriers quickly, creates accountability, and provides agile resourcing. But more than anything, the approach creates a shared and growing sense of accomplishment.

- **Create a fundamental force for change using performance management.** Performance management isn't sexy—and it's time-consuming, too. But it's worthwhile. The steady, incremental improvements and unlocks that occur each week accumulate. A year from now, you and your team will be able to look back and see how much has actually improved. When you can show how your change efforts affect the performance and health of the organization, you also gain insight into how your efforts are progressing.

Performance management is sometimes an afterthought in the public sector, where feedback cycles are very long (if they exist at all) and funding is fairly consistent. But the second-order effects of neglect are tremendously destructive, as people focus inwardly and spend most of their time on getting more resources versus finding ways to improve with what they have.

Practically speaking, performance can often be hard to measure. Instead of focusing on inputs (such as budget), consider focusing on the outputs you would expect and then the activities that will create the outputs. This will also allow you and your team to see more of the root causes holding the organization back.

- **Avoid the illusion of quick wins; focus instead on speeding up decisions, making tangible progress, and using that to show change can happen.** This technique can simultaneously drive progress, show you're serious, and demonstrate that change is afoot. In a recent survey, we found at least 60 percent of leaders believed most of their organizational time spent on decision making was ineffective.<sup>6</sup> Better decision making is easier said than done, as bureaucracy shields senior leaders from making "big bet" decisions in

order to maintain continuity and harmony. To do this requires first segmenting the decisions that your organization makes, identifying the big bets that require your time and attention, and explicitly delegating the rest.<sup>7</sup>

- **Make the changes a natural act for middle management (the frozen middle).** Following on from that idea of speeding up decision making, leaders need to find ways to "thaw" the frozen middle, where the real power and insight lies. Almost any significant change effort will require action and support from middle management. A common failure is to see middle management as an obstacle to be overcome. But this group of people is usually quite experienced, committed to the organization, have great networks, and know how to get things done. They also have the unique vantage of seeing to the top (the enterprise level) and to the front lines. If things aren't going well with this group, dig in. Most well-intentioned and hard-working people believe they are doing the right thing or they wouldn't be doing it. If managers are frozen, it's probably because the change just doesn't make sense within their context. So make sure your teams design the change in a way that makes sense for this middle layer (or enough of them to get action).

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Thank you for stepping into the arena and helping to lead our nation into a bright future. A working definition of a leader is the person who can match an inspiring vision with a clear view of reality; leaders guide the changes from the reality to the vision. While making change into the new reality is never going to be easy, we hope these actions help make it more doable.

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<sup>6</sup> "Decision making in the age of urgency," McKinsey Global Survey results, April 2019, McKinsey.com.

<sup>7</sup> Aaron De Smet, Gerald Lackey, Leigh M. Weiss, "Untangling your organization's decision making," June 2017, McKinsey.com.

**J. R. Maxwell** is a partner in McKinsey's Washington, DC, office, where **Kirk Rieckhoff** is a senior partner.

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