Leaders interacting with employees with a bottom-up approach enables better output.
In 2018, the Canadian prime minister – Justin Trudeau – famously reflected “the pace of change has never been this fast, yet it will never be this slow again”. With this backdrop, it is disappointing to observe a recent McKinsey report, explaining that when corporations target change the likelihood of success is both low and, crucially, not improving with time. So, what goes wrong? We have access to decades of research on change methods, yet we are still struggling with identifying the recipe for successful change.

From early on, conventional change methods have described how leaders influence followers during change, either by communicating visions, motivating employees, or coordinating teams. While helpful, this top-down guidance promotes a direct mindset within leaders, focusing them solely on interactions between themselves and their employees. Despite this historical wisdom, there is a growing stream of leadership research that turns this approach on its head. Scholars from the Center for Creative Leadership explain that employees are a vital source of leadership – some may provide new ideas, others become motivating champions, or take charge of coordination. With this shared perspective on leadership, what becomes important is the between employee conversations that express what is possible – or not possible – during change. With growing evidence that leaders who embrace these bottom-up interactions enable better outcomes, popular change management methods lack practical guidance as to how leaders can harness the full potential of employee contributions. With a focus on developing practical knowledge for current and future global leaders, we investigated how leaders interacted with their employees during change.

Decoding Leader Mindsets
We interviewed both leaders and employees who had participated in 79 corporate change programs from a diverse set of organizations around the globe, including startups, large corporations, public service providers, and defense agencies (for full details, see: Leading Change Processes for Success). Using an established research protocol, we asked interviewees to tell us detailed stories of change programs they had experienced. Overall, we observed 43 successful change programs and 36 unsuccessful – this categorization resulted from validating success perceptions from interviewees with quantitative metrics (e.g., key quality/productivity/cost measures) that confirmed successful outcomes.

To explore how leaders interacted with their employees, our initial analysis deconstructed each case through the lens of popular change methods. To do so, we organized each case into a timeline of events, then coded individual events as per the steps and practices that these methods describe (e.g., developing the vision for change, communicating the vision, remove obstacles, etc.) However, these methods alone could not explain the events where leaders harnessed employee contributions to the change effort. Diving deeper into the data, we overlaid stories of the same change program that were narrated to us by both a leader and an employee. This combined perspective enabled us to catalogue bottom-up employee contributions as well as the leader interactions that aided or hindered the adoption of employee feedback. Crucially, what differed between successful and unsuccessful cases, was the mindset that guided how leaders interacted with their employees.

**Direct and Net-promoter Mindsets**

In most cases employees expressed to their colleagues a narrative that summarized how change was progressing – either positive or negative. These between-employee narratives often differed to what employees shared to their bosses. Leaders who applied a direct mindset, with an emphasis on direct leader/employee interactions, paid little attention to the narratives that employees were sharing amongst themselves. Instead, these leaders gathered information through objective data (e.g., surveys of employee attitudes), or feedback-seeking (i.e., ‘tell me what you think about the change’). These direct mindset leaders predominantly led unsuccessful change (38 cases, success 19%).
In contrast, a separate set of leaders applied a mindset that mirrored a popular customer service approach. In customer service, the net-promoter mindset focuses on what customers tell their friends about their experience, for instance ‘would you promote this product/experience? In the context of our study, where the direct mindset focused on leader/employee interactions, the net-promoter mindset homed in on what employees are saying to their colleagues. Leaders who applied a net-promoter mindset, by taking steps to understand whether their employees were net-promoters of change, were far more successful (41 cases, success 85%).

Two examples help to illustrate the net-promoter vs direct mindsets in practice. These cases, at an armed forces supply unit (net-promoter mindset example) and an aircraft manufacturer (direct mindset example), were of prototypical character: sharing intent to radically reduce the cost base of their operations and where change had been re-invigorated under new leadership, following prior setbacks.

Unsurprisingly, in both cases, change-weary employees had pre-disposed their new leaders’ fate, surmising “we will just wait it [the change] out.” Employees were taking a bet that this new version of change wouldn’t stick, just like prior attempts, and there seemed little point in wasting time nor effort.

Despite this common starting point, how these two examples progressed differed markedly. At the armed forces, the leader (a General) adopted net-promoter mindset. He spent time talking to employees informally, making a point to stay around after formal communication sessions and engage in conversation. Learning the ‘we will wait it out’ narrative, he realized the disconnect between the change program’s intent and the shared meaning given to the program by employees. He paused the entire change program. Then, to remove the option of waiting out the change, he extended his tenure. Further, to prove that change was real and possible, he narrowed the focus of change to one small key operational unit; galvanizing all available resources on one problem he achieved an immediate success. With these actions, as the General surmised, “they couldn’t wait me out”. The change program garnered momentum and went on to achieve a 50% reduction in the cost base of the unit.
By contrast, at the aircraft manufacturer, leaders managed change in strict accordance with popular change methods. Despite a widespread ‘we will wait it out’ narrative shared between employees, leaders exuded confidence in their plan and continued without asking employees for an opinion. Doing so, leaders became increasingly disconnected from their followers, as an employee explained to us, “you would often see senior management trying to put forward a solution and being completely disconnected from the shop floor”. This change failed to achieve any meaningful reduction in the cost base.

**Recalibrating Popular Change Methods**

Change management methods describe both the underlying processes for change and the leadership mindset that enables it. Recently, a [group of scholars](#) from the USA, UK and Belgium synthesized seven popular methods, showing how each approach builds on Lewin’s foundational three stages of change – unfreezing organizations, creating movement and re-freezing. This very notion that an organization can be unfrozen and refrozen presents separation between those leading change from those participating in it, thus framing inquiry directly as a leader/employee interaction. In contrast, our research confirmed that the narratives shared between employees provide a rich source of information regarding employee attitudes to change and, often, a more valid report card on progress. Yet, the direct mindset remains a key feature of common change leadership methods. With these findings, we propose that popular change management methods be re-calibrated to explain how and why leaders understand what employees tell their colleagues about their experience (i.e., would you promote this change to others?) Just like customer service organizations have identified, we found this net-promoter mindset to uncover an unfiltered and more accurate version of a team member’s experience that differed from what employees shared with leaders.

**How to Apply a Net-promoter Mindset: The Star Model**
Presenting a new mindset for change leadership, we introduce the STAR model to help leaders understand and apply a net-promoter mindset in practice. Our model details three keys that, when applied, identify a rich source of between-employee narratives that provide valuable insight for action that will improve the likelihood of successful change:

**Key 1 – Set your employees as the customer of change.** Our data are clear, leaders who viewed employees as critical customers, led successful change. For future leaders, an important lesson is that change success is determined by how those tasked with implementing change think and feel about the change effort. This ‘employee first’ thinking mirrors the typical ‘customer first’ approach to customer service.

Important to note is that this perspective doesn’t encompass handing over full control to your employees as a leader. On the contrary, most of the successful leaders we observed initiated change with a clear vision for the future that was ultimately realized. However, by setting ‘employees first’ these leaders built an understanding of the problems that hindered the path to success, as well as potential solutions. It was this combination of top-down vision from leaders and bottom-up contribution from employees that resulted in the highest probability of success.

**Key 2 – Take Action on the negative narratives.** Throughout our study, negative narratives, shared between employees, were a feature of both successful and failed change. What was interesting was how quickly negative narratives dissolved once leaders had taken corrective action. In many cases the action was incremental or small. For instance, in one of our studied cases, office members carried a negative view of a proposed dress-code. While seemingly unimportant compared to the overall change program – a merger between two corporations – a small adjustment to the timeline for implementing the new code proved a crucial antecedent to employees gaining a positive view of the larger change. Additional examples of action include a minor adjustment to a deadline, a narrower focus, or a small alteration to the program.

By adopting positive psychology and framing negative narratives as an opportunity to act, leaders did more than just address the specific area of concern – they generated an opportunity to instill in employees a positive view of the larger change effort. Importantly, when designing corrective actions, the information that that employees share should not
be filtered, adjusted, nor downplayed. Here the approach is to take the view that feedback already exists – this cannot be changed – however, learning about what employees really think provides an opportunity to act.

**Key 3 – Reconnaissance – are teams net-promoters or detractors?** Most change methods direct leaders to ask, ‘how is the change going?’ and expect an honest reply. Our study confirms that there is a significant difference between what employees say to leaders and what they express to their colleagues. As an employee involved in a failing change program explained to us, “If it’s the [leader] saying, ‘This is what we’re doing’ and she’s in charge... it’s very difficult for a lot of staff members to feel ... feel comfortable saying to her, ‘You know, I think this whole system that you came up with and created sucks.”

It is the narratives that employees share by the water cooler, over coffee, or other informal settings that express their real views. However, the problem with formal corporate structures is that leaders are typically excluded from these conversations. Despite this exclusion, there are informal routes to finding out what employees really think. For example, our observed successful leaders waited around after formal communication sessions, or dropped in for coffee and cake, or took time to walk through the shop-floor operations and engage employees one-on-one. Crucially, leaders treated this informal interaction as an information gathering exercise. Doing so, they learned the narratives that employees were sharing to each other and catalogued the issues that were limiting change.

Overall, this STAR model presents a fresh perspective on change leadership that overcomes a key problem of traditional change methods – they direct leaders too heavily on leader/employee interactions and less so on vital information that employees are sharing between each other. As our study showed, confining inquiry to leader/employee interactions limits the quantity and quality of knowledge gained on the issues preventing progress. What our STAR method offers is a platform for leaders to expand their understanding of how change is perceived by their employees, thereby enhancing leaders’ confidence and efficacy in leading change for success.
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