



ENGAGING EMPLOYEES IN CHANGE THROUGH AN OPEN-SOURCE APPROACH

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This article appears in BCG's series on the challenges facing companies as they transform. Here, we focus on key elements in the people journey. Other articles also explore the leader and program journeys companies must undertake. More than ever, companies are finding that managing these interdependent journeys in a holistic and fully integrated way is essential to their success in change management.

POWERFUL AND DISRUPTIVE NEW forces—such as artificial intelligence and big data—are becoming more prevalent and are challenging the way organizations operate. Amid these developments, companies are increasingly launching change efforts to stay competitive. But all too many change programs don't deliver the promised value.

Why? Change is complex, and to drive successful change, companies have to orchestrate many different activities—all of which must reinforce one another versus running independently. One key element to change is how an organization commu-

nicates with employees during the change journey. In all too many organizations, approaches to communication fail to truly engage employees and bring them along in the journey. As a result, companies leave employees on the sidelines and have difficulty winning their support. Because these sidelined employees are often the very individuals in charge of executing required "new ways of working," it's no wonder that so many change efforts fall short.

Limitations of the Traditional Engagement Model

Although some aspects of the traditional engagement model remain valid and necessary, the model overall has become increasingly ill-suited to today's workplace. For instance:

- **Messaging gets lost in a communications-saturated environment.** In the digital era, people are expected to navigate through myriad messages every day. Over a three-month period, for example, employees can be exposed

to 2.3 million words and numbers, according to organizational psychologist Adam Grant. Under these conditions, word-dense, one-directional messages about change efforts fall flat.

- **Communications are top-down and transactional.** Leaders make most, if not all, of the decisions, and convey those decisions down through the ranks. Employees are expected to adopt new ways of working after “consuming” these communications. But employees today want to take part in creating solutions—and they have good ideas. To create something more valuable through change, companies must tap into employees’ creative minds, versus merely delivering orders.
- **Organizations miss out on opportunities to gain insights.** In the modern workplace, employees often use informal channels for work-related discussions. Case in point: colleagues in a business unit might share thoughts about workplace issues in a WhatsApp group. These casual conversations can shed light on the ideas they’re considering and exchanging as well as how employees are feeling about the organization and change programs

under way. Employees will use such vehicles even more in the future, and leaders must decide whether to tap into these conversations to gain insights.

At a time when change is constant, organizations can’t afford an engagement model that leaves employees on the sidelines.

Open-Source Engagement: A New Model

Emerging capabilities—real-time digital dialogue, content-based analytics, live collaboration platforms, a mixing of personal and business communication—have set the stage for leaders to more effectively interact with employees and engage them in change efforts. We call this new approach open-source engagement—and it is a key element in change management. (See Exhibit 1.)

This approach contrasts sharply with traditional engagement models. It’s a multidirectional way to engage and co-create with stakeholders to enable successful change. And it’s characterized by a democratizing process whereby communication content, dialogue, insights, and even decisions related to a change effort can come from anywhere in the organization—constantly, and

EXHIBIT 1 | Professional Service Firms Should Organize Functions into Three Operating Models

	 In-market business partners	 Centers of expertise	 Shared-service organizations (SSOs)
What	Understand and meet local requirements	Knowledge-driven resources and best practices on specific topics	Volume-driven transactional tasks
Where	Local offices	Networked hubs	Global shared-service
% of total support function staff	~25%	~30%	~45%
Examples from finance function	Controlling, performance and analysis, budgeting	Tax, risk management, M&A, treasury	Accounts payable, accounts receivable, credit collection, standard reporting

Source: BCG experience.

in real time. BCG has been helping clients in a range of industries build the capabilities needed to introduce this new engagement model.

Benefits of Open-Source Engagement

Open-source engagement (OSE) offers numerous advantages over the traditional engagement model. For one thing, we have seen that when change planning, communication, and co-creation are put in place, then quality, adoption, results, and impact significantly increase. Additionally, by involving employees in co-creation, companies gain strong support from them for the change. (See Exhibit 2.)

Equally important, this approach to engagement activates a self-reinforcing engagement cycle:

- Leaders set the change agenda and provide a forum for employees to voice their views while still guiding the narrative so it stays focused.
- Employees share ideas and become thought partners to leaders—solving

problems together, and bringing valuable insights gained from their experiences on the front lines.

- Management acts on the ideas shared by employees, giving them a sense of purpose.
- Employees become more engaged, and continue to contribute.







Four Key Enablers

Introducing open-source engagement in an organization takes commitment, planning, and effort. To improve the odds of success, organizations must put in place four key enablers.

LEADERSHIP VISION AND COMMITMENT

Leaders must align on a vision of the role that open-source engagement will play in supporting the change, and they need to ensure that everyone is working toward the same goals. For instance, can this approach foster speedier implementation of a change program, higher adoption of new business processes, or lower employee turnover during the change?

EXHIBIT 2 | The How and Why of Digitizing Support Functions

FUNCTION	INITIATIVE	BENEFITS
 Human resources	Automated messages and reminders to steer new hires to a mobile app or online portal	<ul style="list-style-type: none"> • Accelerated onboarding process • All required forms completed before their first day on the job
 Finance	Digitized invoice issuing and collections tracking to separate the billing process from the partner-client relationship	<ul style="list-style-type: none"> • Greater accuracy and timeliness • Up to 33% reduction in days sales outstanding
 Business development and marketing	Advanced CRM systems and data analytics to identify cross-selling opportunities, improve pricing models, and customize marketing	<ul style="list-style-type: none"> • Increased open rate on marketing emails from 15% to 25% • Increased win rate for new business pitches
 Knowledge management	Automated smart content classification and machine learning algorithms	<ul style="list-style-type: none"> • Reduced turnaround time to find, prepare, and share relevant documents
 Legal	AI-powered scanning tools analyze contracts in bulk, identifying potential issues and suggesting fixes	<ul style="list-style-type: none"> • Accelerated document reviews
 Operations	Automated workflow routing and ticketing tools seamlessly send and track requests from front-office staff to service centers	<ul style="list-style-type: none"> • Service queries resolved up to 8x faster

Source: BCG experience..

Open-source engagement also requires leaders to commit to demonstrating specific (and sometimes new) behaviors—such as engaging in dialogue with employees about the change, inviting them to share ideas, and being transparent about decision-making. When employees see that leaders care about their ideas, they participate more actively in the change and are more willing to invest extra effort to support it.

ACTION CHECKLIST

- Identify key leaders who can champion this approach and articulate its value.
- Voice your support for this approach and take part in conversations about it that employees raise.
- Clearly define and articulate your goals for open-source engagement.

STRATEGY AND EXECUTION PLAN

Like any other aspect of change management, successful open-source engagement requires a clear strategy and plan. Leaders must agree on several strategic considerations: when and how the approach will be launched to the broader organization, what topics will be promoted, when feedback will be gathered and prioritized, and when the best ideas will be put into action.

- Outline *what* topics will be fostered by leadership and how much control over the narrative you're willing to give up.
- Define *when* open-source engagement will be introduced to the organization and how long it will be a priority for leaders. (When successful, this approach could become a permanent part of the organization.)
- Clarify *how* open-source engagement will be rolled out, through which communication channels, and which marketing vehicles.
- Define how the success of this approach will be measured.

MISSION CONTROL

Open-source engagement requires active guidance to ensure that it delivers the intended benefits. Although this doesn't demand a complex governance process, a mission control team does need to drive the effort and track employee engagement—the ultimate success metric for this approach. Signs of engagement include higher employee participation in important discussions, more change supporters, and greater openness to embracing new ways of working.

People responsible for mission control triage information coming from employees and nudge the appropriate leaders to respond. They analyze data on employees' reactions about the change, identify concerns, and recommend actions to leaders. What's more, they reinforce the engagement loop that this approach enables, by suggesting which ideas from employees merit implementation and how best to communicate about the change.

ACTION CHECKLIST

- Monitor relevant conversations among employees and funnel the most useful information to leaders.
- Consolidate ideas and recommend the best of them to be implemented.
- Help leaders manage resistance and respond to any difficult topics raised—in ways that foster transparency.

OPEN-ENGAGEMENT PLATFORM

To bring this approach to life, organizations need an open-engagement platform. This includes not only technology such as digital tools but also an organizational culture and environment conducive to this approach. People throughout the organization must feel comfortable sharing information openly—and must have the means to do so. Leaders can help foster the right culture by modeling new behaviors vital to open-source engagement.

For example, they can initiate open dialogue and feedback themselves and invite

it from others. They can reward employees who take part in the conversation. And they can make employees feel safe in participating; for instance, by affirming the organization's interest in having open discussions about change.

ACTION CHECKLIST

- Articulate, model, and encourage the behaviors required for open-source engagement to succeed.
- Visibly reward people who take part in the effort. A public thank-you note or lunch with a senior leader is low-cost but highly valued by employees.
- Introduce a digital platform that gives employees easy access to leaders in real time and that enables multidirectional dialogue.

Deciding Whether to Use Open-Source Engagement

Not all change programs are well-suited for open-source engagement. For leaders seeking to determine whether this approach is right for a particular change project, we suggest taking the following factors into account:

- **Timing.** If the organization hasn't articulated a clear vision for the change program, it would be too early to involve the broader organization by introducing open-source engagement. In this case, deploying the approach in later stages of the change may make more sense.
- **Complexity.** Open-source engagement may not be appropriate for change programs involving high-level technical discussions that most employees would have difficulty understanding, such as the implementation of complex new regulations.
- **Sensitivity.** This approach is probably best avoided in change programs involving highly sensitive topics such as major headcount reductions.

- **Pacing.** Transformations that require lightning-fast decision making and execution (such as turnarounds or resolutions of major crises) aren't right for open-source engagement.

STAYING TUNED IN TO YOUR ORGANIZATION

To support open-source engagement, digital platforms must:

- Be simple and intuitive—easy to adopt and use.
- Focus on the change program under way, versus being a communications catch-all.
- Engage users effectively, through bite-sized and impactful content delivered through multiple media channels and formats.
- Enable leaders to extract insights that drive actions.

Tuned by BCG, our change management app, is helping clients bring open-source engagement to life. Clients using the app have achieved engagement rates three times higher and have a greater chance of successfully implementing their change programs.

Are You Ready for Open-Source Engagement?

Not all companies are ready for the commitment and transparency that this approach to engagement demands. Before investing in it, we recommend that leaders assess their readiness by answering several questions:

- Are we undertaking an initiative that will truly benefit from the open engagement and multidirectional approach to communications that characterizes this approach?
- Are our initiative sponsors and key executives willing to support, participate in, and model open-source engage-

ment’s transparent and multidirectional approach?

- Will our organizational environment and front-line management team encourage employees to participate in and contribute ideas through open-source discussions?
- Do we have the right communications platform in place to capture real-time comments and feedback and to engage in multidirectional conversations with our employees?

Responding yes to these questions suggests that your organization is ready to open up to employees and gather their feedback to enhance participation in your change program.

The benefits of open-source engagement are hard to overstate. When you give people who will execute decisions a say in shaping them, they’ll be far more likely to embrace and support those decisions.

Equally valuable, final decisions made through open-source engagement are informed by input from people close to the front lines of the business. And, those decisions are executed promptly—so they produce results more quickly.

Open-source engagement also keeps paying dividends long after each change program has been completed. How? Deploying this approach helps organizations strengthen the capabilities required to drive ongoing change. As the organization gains experience with driving such change, trust and engagement among employees improve—as does employee retention. What’s more, managers gain deeper insight into employees’ strengths, and they can use that insight to identify and develop future leaders.

Given the advantages this approach offers, we expect that more companies will want to spark discussion about how open-source engagement can help them beat the odds of executing successful change.

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