

CHANGE MINDSET

The new change management

How to develop an agile, adaptable, motivated workforce through continuous change



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ABOUT



A world leading provider of market intelligence on the Future of Work and HR Technology. **UNLEASH** is a customer-first, global digital media and events business, delivering the latest news, analysis and market trends for HR, technology, learning and recruitment leaders.

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Our community is a diverse group of leaders, including HR Buyers from over 120 countries, who reimagine work and help optimize, enable and unleash new ideas and thinking that improve the lives of millions of people each year.

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EXECUTIVE SUMMARY

Change is now constant. And, ongoing transformation will only get faster and more complex. On this landscape, HR will have a critical role in helping the business navigate hard-to-predict futures. To ensure change results in growth, and benefits all stakeholders, a new approach is needed to ensure the workforce has the capabilities they need to thrive.

Many businesses started off the decade with long-term strategic visions, strengthened by milestones, mapping, goals, and plans. But a global pandemic undermined this.

Covid-19 didn't just disrupt strategy in the short term. It upended organizational design, conceptions of work, and communication norms - shaking structures around inclusivity and purpose.

Even after the short-term impact of the pandemic subsided, a period of stability never arrived. The

so-called Great Resignation and the arrival of Gen Z complicated longstanding talent management orthodoxies. It was clear a new approach to employee management was needed.

From uncertain macroeconomic headwinds to legislative and geopolitical volatility (climate shifts, conflict, elections), organizations had to operate on an uneven backdrop: stop-start supply chains, labor market shifts, and changing business paradigms. Many were adapting at pace, in a major way, often without a clear blueprint or knowing what tomorrow might bring.

It's only just getting started. AI is currently the hottest topic, transforming all people and business operations once more. With many citing AI's exponential potential, it makes it hard to predict the future - let alone plan for it or manage the change.

In this context, being change-ready is necessary.

LOOKING BACK 4 YEARS CHANGE IS THE CONSTANT



BUSINESSES FACE UP TO CHANGE

Organizations aren't shying away from the need to meet this changed context by transforming. A 2024 survey by Valtech¹ of more than 800 executives from across the UK and US found 94% of large organizations have a digital transformation strategy. They understand how businesses need to adapt to stay competitive.



94% of large organizations have a digital transformation strategy.

And, they have leadership buy-in. PwC's latest annual CEO survey² highlights top executives have placed the need for change at the top of their agendas. Over half have taken personal responsibility for this with many investing heavily in programs, appointing change leaders and teams.

HR is at the center of change plans. Despite uncertainty and transformation making the future unpredictable, businesses still demand growth. With HR having a critical impact on culture and people, the function is seen to be central to delivering change. The pressure is on: PwC data suggests almost 50% of business leaders want HR to deliver.

¹. <https://www.valtech.com/whitepapers/leadership-priorities-in-tech/>

². <https://www.pwc.com/us/en/library/ceo-survey.html>



TRADITIONAL CHANGE MANAGEMENT MODELS

In its default setting, HR might turn to traditional change management models to adapt people practices, evolve the culture, and deliver new skills at pace.

But many of these models have existed for decades, long before this period of total change. They are linear, assume variables are largely controllable, and many don't bake in an iterative approach i.e. changing and adapting as the context around the framework evolves.

+ ✨ **Lewin's Model**³ for example, goes from **Unfreeze -> Change -> Refreeze**. It assumes that those leading changes know the desired end state. But who truly knows where AI might take us and without this clarity, how can we rely on this model to manage the change? Furthermore, it doesn't make space for the engagement of all stakeholders. It feels top-down, risking the demotivation of critical parties.

+ ✨ **Kotter's Model**⁴ though more granular than Lewin's - making space for the fact successful change needs to be at pace, involve stakeholders, overcome barriers, and involve work after the initial change to bed it in - still works under the assumption that the background context is slow moving, and that there is clarity on the end state solution.

In a complex, fast-paced time, where the eventual goal might not be known, are these models suitable? Do organizations have longstanding time and resources to plan for a long-term vision? Can they be prescriptive to employees? Would this create resentment and resistance?

Indeed, HR might rightly ask: do these models work in an increasingly volatile, uncertain, and changeable world?

3. www.sciencedirect.com/science/article/pii/S2444569X16300087

4. portal.ct.gov/-/media/sde/turnaround/school-improvement-resources/kotters_model.pdf



UPDATING CHANGE MODELS FOR A CHANGEABLE TIME

In fact, change management frameworks suggest that once the change is complete, organizations and their people operate in a new, stable normal. Traditional change management implies stability. But HR knows that this isn't the case and often sees employees become disengaged and demotivated as the promised stability never arrives.

Indeed, HR is faced with many challenges: AI, new talent management and employee experience norms, and economic volatility. The context is anything but stable. And organizations, as many already are, will have to continuously transform to thrive. Here, linear change models don't cut it in a VUCA (volatile, uncertain, complex, ambiguous) world.



McKinsey's modeling⁵ shows that less than 5% of change programs are extremely successful. Could it be that aiming for a moment of zero change isn't possible? We're arguably at the point in time where the promise of 'normal' and 'stability' demotivate, disengage, and burnout the workforce when it never arrives.

⁵ <https://whatfix.com/blog/5-change-management-strategy-failures-to-learn-from/>

In this environment, promising a moment of zero change isn't possible. **What next?**



From change management to change mindset

An alternative foundation to successfully drive ongoing transformation, in volatile, changeable operating environments, is to intentionally build a **change mindset**.

✓ **A change mindset**—is not a single program of change, though it might be used to drive change in a product, process, or culture.

✓ **A change mindset**—is non-linear, more open to iteration, multiple voices, and more able to adapt as the context around it changes and needn't be driven by a single goal a long way in the future.

✓ **A change mindset**—is about ensuring that the individual employee, team, and the organization, always has the right support and skills to meet continuous change head-on and drive toward success: transforming as new contexts arrive.

It's about accepting and finding a way to operate with change as the only constant. This isn't to say a change mindset is obfuscating or overly complex.

A change mindset means clearly defining what needs to change: guided by structures, values, and short-term targets (though these can also evolve). It is enabled by the right culture, language, people processes, and networks and in many ways becomes part of HR practice and organizational life itself. Often becoming part of the foundations of the experience of work, as well as informing reward, recognition and development practices.

So important is a change mindset that it's been described as a fundamental hygiene factor: allowing adaptation, organizational agility and pivoting when necessary.



UNLEASH & HIBOB ENABLING A CHANGE MINDSET

A change mindset will look different for every organization. However, in a series of recent UNLEASH x HiBob exclusive roundtable sessions, HR leaders (those at the top of the function tasked with driving change for organizational success) talked about how to enable a successful change mindset. They discussed:

- How does design inform a change mindset?
- What does curiosity mean for continuous change readiness?
- How can one engage leaders, employees, and the business in constant change (and the need to change)?
- What does change leadership look like?
- What is the language and behavior of change—and why do values, recognition, and reward matter?

Together these conversations, which drew on their unique experiences, found these interlinking enablers that help deliver a change mindset that can drive growth and engage employees.



Here's how to build that change mindset

Curiosity & Design Thinking

In a complex and rapidly evolving context, design thinking can help build a change mindset.

Instead of focusing on an unrealistic, uncertain, and likely unreachable moment in the future, design thinking builds in achievable short-term change goals that can then be iterated and built out from.

Though there are many design thinking approaches, many build consensus and change readiness by involving stakeholders in the defining and design process. It's about understanding that there are many areas of business that could change but, using stakeholder engagement, pinpoint which areas are going to have support for change.

From here, it's about building a product or process that can be changed rapidly (minimum viable product), showcasing this change works via measurement and effective communication, and then either scaling or replicating as the business needs.

This approach to change is less about perfection and more about getting buy-in so change starts to become a smaller, less daunting process and can become a habitual pattern owned by everyone, i.e., building a change mindset across the organization.

Critical to success is celebrating and showcasing those initial wins, getting broad support here, guiding it with business purposes, and constantly recapitulating and reframing. Change is to be celebrated.

Where does curiosity come into this?

The best design thinking-driven change involves multiple stakeholders engaging with the process. But so that their input is informed, HR wants the organization to support building curiosity in all stakeholders.

This can be about the business or the market it operates in, as well as big-ticket items such as AI. This helps build capability and change receptivity.

Leaders are critical here. They need to model curiosity, support development and highlight the need to be curious, whilst being transparent about challenges. It means building in freedom to fail, and psychological safety (to ask questions, to experiment) all backed by culture and values.]

Finding the clarity

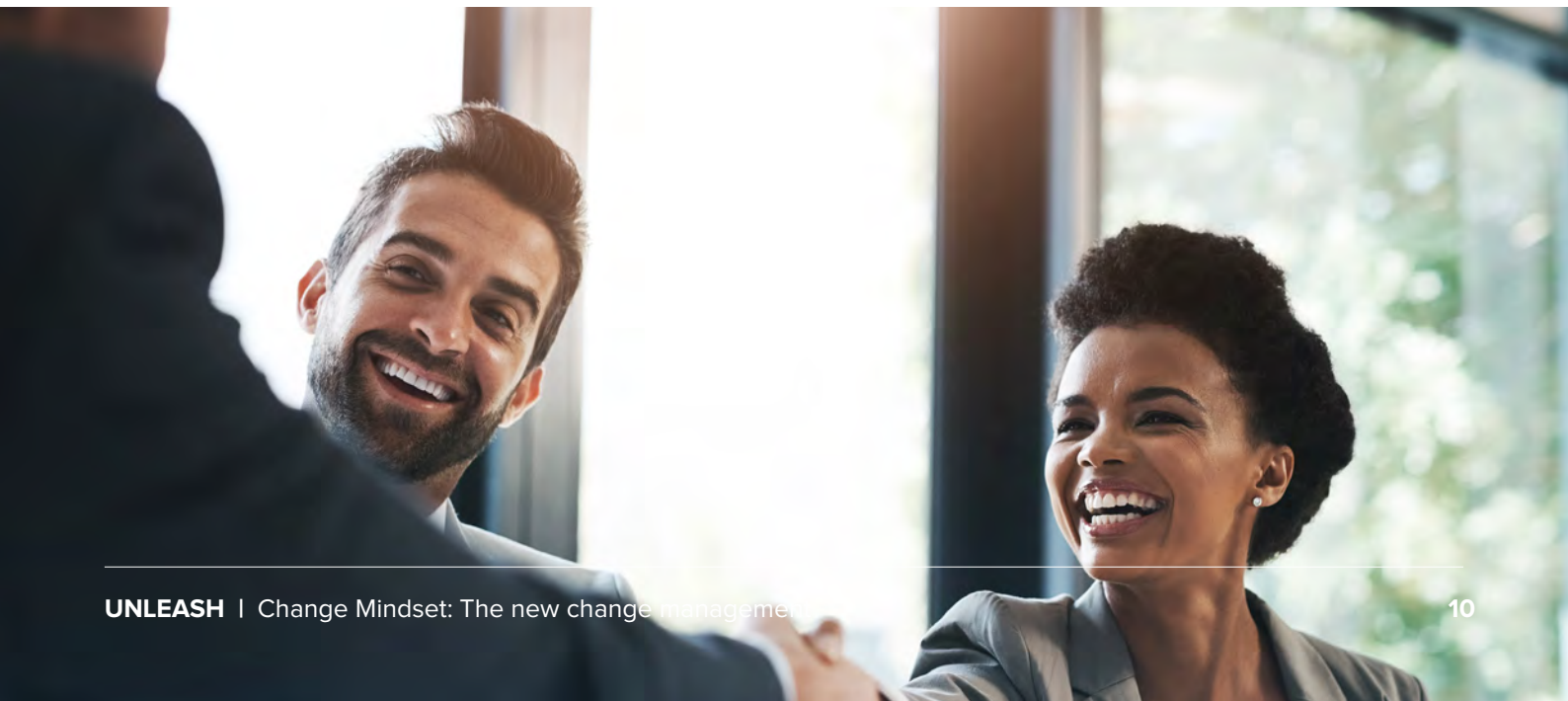
HR leaders will likely know that all-encompassing change projects can fail because clarification of what needs to be changed, or where impactful change potential is, didn't occur.

This doesn't mean lapsing into guiding a change process with a long-term goal - an imagined stable state. Rather it means properly defining the area that needs to change, and understanding this will likely evolve, and where blockers are.

Doing this effectively means including stakeholders who not only understand but are also impacted by the operational area that needs to change.

Through conversations - be it actual dialogue or the collecting of survey data - HR teams can find out what needs to transform, and what appetite for change there is, while also communicating the importance of change for the business's future success. All the while sense-checking what skills and guardrails could help change be more seamless for both the organization and individuals.

In a time of uncertainty and lots of noise, where the outcome of change might also be uncertain, HR communicating the need to change, and having conversations with stakeholders, can help find clarity.



Culture and Values

HR, if the function supports growing a values-centered organizational culture, can help promote resilience and enable a change mindset.

A culture that supports a change mindset is a culture where individuals feel ready (with the right skills and resilience) to find the way through to thrive amidst transformation, driven by openness to change.

What does this look like? It means the workforce feels able to participate in change conversations, that they have the right tools and support, and that all actions, including change itself, are led by values that appear stable (though they may slowly evolve over time).

Values that backstop a change mindset might include supporting openness to change, curiosity, transparency,

empathy, and a focus on driving success for the future. Alternatively, community, growth mindset, autonomy, and skills centrality can also be center stage. Individuals need to feel empowered by the culture, driven to be exceptional, and feel that the culture is honest i.e., actions against promises (which isn't to say HR promises stability).

Reflexively, HR needs to understand the culture if it is to create one that supports a change mindset. It's about being honest about where the culture is and not driving ahead with large-scale transformation if the organization isn't ready.

Why is this all important? Because people relate to stable values and culture in moments of change and feel they belong in the organization despite evolutions.

Leaders as role models

When change is the norm, people look to 'way-finders' for stability. Leaders can be this. Leaders can model resilience in the face of change, effectively communicating the need for change and the benefits it will bring, whilst also displaying empathy for those impacted by change. They can bring to life culture and values, even as everything around them evolves.

The best 'way-finders' will even model struggling: showing how they overcame difficult change moments, how they evolved themselves, and being honest that it won't be smooth, and that change will likely not slow down.

HR has to invest in leadership skills, helping people managers find the capabilities to build trust with the organization, communicate effectively, and build winning networks.



Behaviors and nudges

When so much change is occurring, nudges built into the workplace (either via environmental design, language choices, or workflow tweaks) can help, subtly keeping employees resilient and aligned with change. While complexity and big-ticket change conversations are necessary, small reminders can help lessen fatigue and keep energy and engagement for continuous change. These nudges could be in environmental design or small reminders of values and goals and how these approaches benefit them. Nudges can help drive employee behaviors and mindset for change and also help connect them with the organization.

Additionally, HR might communicate how the individual employee benefits when the organization, and themselves, adopt a change mindset. Firstly, this means the function needs to take care of the basic hygiene factors (compensation, benefits, wellbeing support, EAPs) before highlighting how a change mindset can benefit career growth, new skills development, innovation, and financial benefits such as increased stock options.

Language and recognition

The language in which change is framed is critical. Not only should HR, leaders, and organizational messaging align, but the language used needs to be transparent, empathetic, positive, and non-misleading. Language choices should be informed by organizational values and build trust and engagement.

Language shouldn't just focus on leadership and HR's voice. It means a focus on conversation, getting employees involved in the design of change, and helping them understand they have a voice to shape change. It's also about showing what change has been enacted and how this has helped - speaking in the employees' voices as you do so.

But critically, the language used shouldn't downplay the energy required for successful change: empathy with those involved at the coalface of change is important.

Rather than pacifying or talking about 'when change ends' talk about how to build resilience for ongoing evolution.

Critically, choosing the right language is knowing when to not speak. Speaking about change all the time, even if change is happening all the time, can be overwhelming. Linked to this is using the right language. Talking about 'Change Management' can make it seem as if change is outsourced and not everyone's responsibility. Switching to a change mindset makes it everyone's task.

A human-centric approach would also support recognition among peers, allowing them to congratulate each other on small wins and adaptations, scaling the change mindset across the organization.

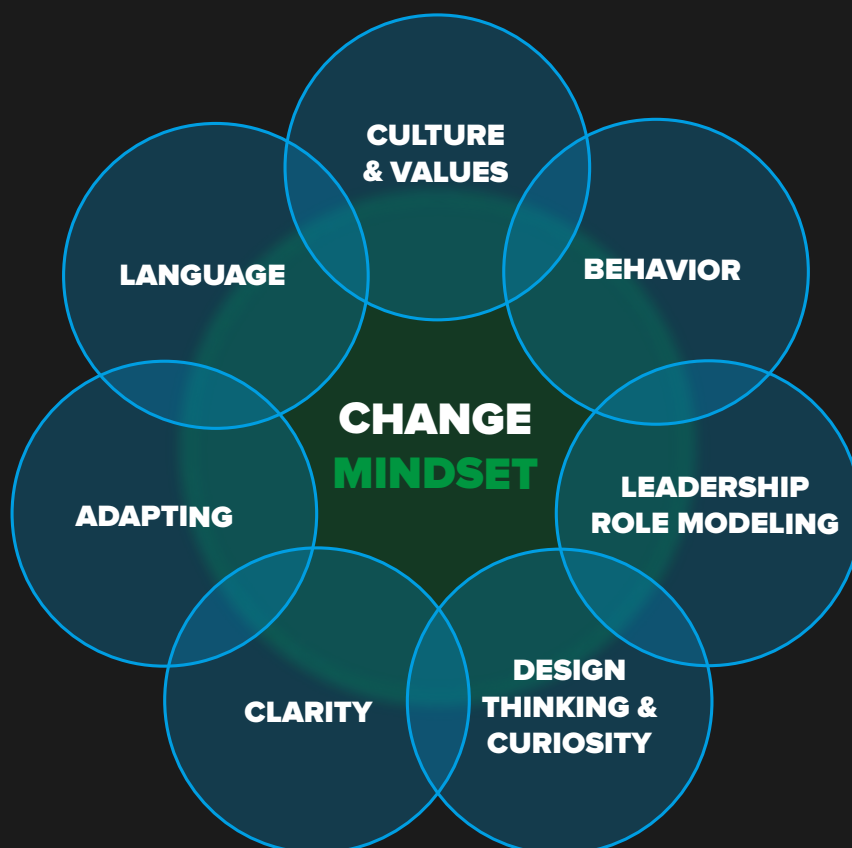
Adapting what already works (or doesn't)

Change isn't just about the new. While traditional change management models need updating, leaving all elements behind would be a shock to many organizations and leadership teams. There are also useful elements in many of them. Structure, purpose, and ideas around engaging stakeholders which can be leveraged for a new change mindset approach.

It's also about understanding what barriers might exist to change. Some of this may be obvious to HR because of previous engagement with change.

Here, they may have undertaken work to see if the organizational structure is change-ready, if business leaders are apathetic or unwilling to invest resources, if communication channels are cumbersome, and if employees are stuck in their ways. As Sharath Hari, Vice President at Everest Group explains, "the best way to get the workforce on side with change" is to help them understand the benefits and redesign their work and experience (development, reward, workflow) accordingly. "There might be resistance from employees or a lack of adoption if it doesn't meaningfully impact them," he says.

THE KEY DRIVERS FOR CULTIVATING A CHANGE MINDSET





CASE STUDIES

Change mindset case study #1

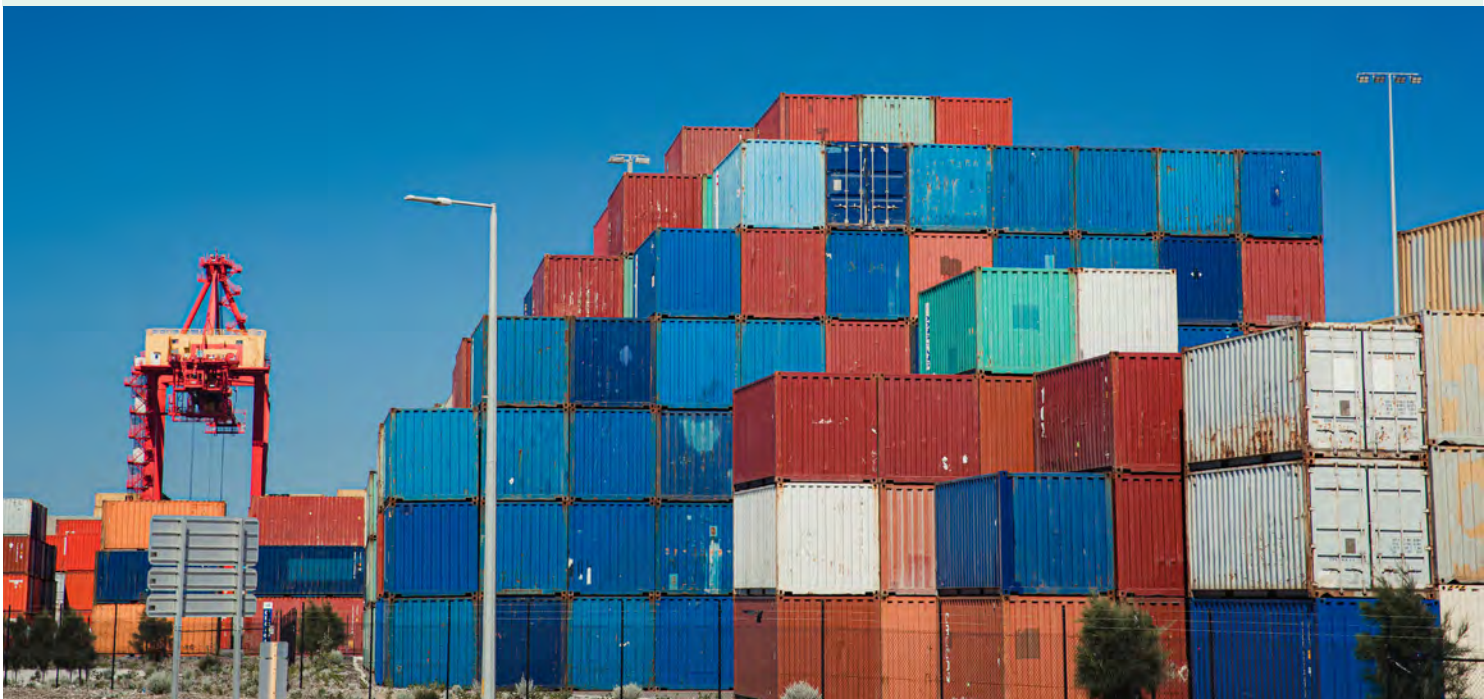
The language and engagement of change at Seaco

Meryl Folb, Chief People Officer at Seaco, one of the world's leading shipping container lessors, has had to overcome a traditional culture to create an organizational change mindset that can celebrate change rather than being reticent to it.

At Seaco, a legacy metric of success is tenure. People and processes have largely been longstanding. But with the need to adapt to a VUCA world, she made HR a champion for change itself, challenging previous ways of doing it and sharing data-led arguments for why change was necessary, and celebrating and communicating where pilot schemes have been successful.

To do this well, Folb created buy-in before any change. Guided by a design thinking approach she started small and kicked it off by engaging stakeholders to pinpoint which areas needed changing (and were most open to change), aligned these with an overarching people strategy, got buy-in, rolled out a change, and then measured its success, building further appetite for change by sharing the results with the leadership. "We first got feedback," she explained. "And after that, it was about reminding employees what we had done, how we had listened."

Critically, Folb celebrated those who were at the coalface of change and has started building a culture of recognition, which is informal and fun, where employees celebrate transformational activities, helping to create a culture with a positive change mindset at its center. "It's possible to create playfulness around a serious topic," she added.





CASE STUDIES

Change mindset case study #2

Nudge theory in practice

Galya Rofeh is a Talent Management and People Development expert, currently heading Talent Management and People Partnering at Gavi the Vaccine Alliance. Rofeh understands that when it comes to change, especially at scale, the stakes are high, and it takes a design thinking approach to change to build out, test, and engage, before scaling change to give it the best shot of success.

But to ensure that a culture or process change is established for the long term, and the desired result is reached, she understands the importance of behavior, ensuring that changes bed in past the initial period. To get there she understands how critical nudges can be. “By focusing on clear, incremental behaviors,” she said, “we create meaningful, lasting impacts.”

While overt communication is needed around change - such as presentations and town halls - subtle changes to the working environment can help embed the values of the organization that will guide change in a manner that is not fatiguing. Rofeh shared how subtle nudges in the working environment can help embed organizational values without overwhelming employees. Drawing from her observations of past practice, she noted how some organizations used items such as bracelets, posters or desk displays that highlight core values. These tangible reminders help employees stay connected to the organization’s principles, especially during disruptive periods.

Galya emphasized the importance of cultural markers, noting that subtle language shifts when revisiting performance or talent management processes can enhance understanding, foster engagement, and encourage adoption of new initiatives. The subtext: change, even if difficult, is required to drive towards improvements and bigger goals and we will support you during this with our values and culture. Additionally, making deliberate language shifts when change is linked to People processes can improve clarity, deepen engagement, and foster smoother adoption of new practices.



MOVING TO A CHANGE MINDSET

It's clear that a new approach to change is needed. External operating factors are forcing organizations to evolve at an ever-quicker rate, taking on increased complexity, with no clear vision of what evolution might bring.

As a result, linear change management frameworks, which are slow and often top-down, will no longer do.

Instead, organizations need to start building a change mindset approach and put it at the center of HR's practice. While this might not dictate a final outcome - indeed, that is uncertain - it will make individuals and organizations more resilient in the face of change - engaging and exciting them for change and help them buy into the period of continuous change.

By placing design thinking, the need to build curiosity and stakeholder buy-in, culture and values, recognition, change-aligned language, and an understanding of the right behavior, HR can play a key role in enabling their organizations to transform towards success.

Indeed, it's HR that can best exhibit a change mindset. By adapting the EVP, and communication channels, and being engaged in the values and operations of the business, HR can drive forward a 'how to thrive approach' in constant change.



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