



# Leading Change

## Seven Essential Decisions That Improve Results

By Dave A. Jennings, PhD

### Leaders bet the future of their companies on successfully implementing a change.

They paint a picture of beauty, harmony, and dollar signs. Yet, before the paint has dried, the picture often fades into the reality of another disappointing change. The business sees no lasting change in profit or process.

With heavy hearts, leaders return to their conference rooms, wave their arms in the air, pound their fists on the table, and point their fingers at each other. The net result is loss (and it isn't just financial). Leaders have less confidence in their employees and peers. Employees have less trust in leadership and become cynical about *any* change. And, in many situations, leaders lose confidence in their own ability to make change happen. The opportunity for real and needed change is at risk.

*What must happen for leaders to achieve the results they desire?* In my experience working with leaders across industries and management levels, I find that leaders need to be more committed to the entire process of change. To achieve this, leaders must make a few key decisions.

### Decisions #1: Where am I really taking the business?

Leaders need to holistically consider what they are trying to accomplish. Focusing on the change before focusing on the business need is like throwing paint on a canvas before you have decided what you are painting. If the business destination is not clear, then it may not matter what the change is. Leaders need to continually revisit the fundamental questions:

- What business are we in?
- How do we actually make money in this business?
- Why do customers choose us over others? (i.e., speed, cost, service, quality, innovation)
- What values must we live by while we move toward our destination?
- How do we, as an organization, measure success?
- What do I personally want?

Consider the case of Jim, a CEO of an Inc. 500 firm, who failed to get clear about what he really wanted to achieve. He was seduced by the “bigger is

better mentality.” Within a year he took his marketing company from profitability to severe loss. He confused what others thought he should become with what he wanted. He realized, after a huge expense, his real goal wasn’t to be the biggest on the block, but to have a highly profitable company that could achieve some of his personal values.

Jim’s experience is typical of leaders who rush in to a change. Clarifying the fundamental questions helps prevent leaders from falling in this trap.

**Decisions #2: Am I willing to invest time to create a shared strategy?** A shared strategy is a commonly held understanding among key stakeholders about where the organization is going and how it is going to get there. It is the way to turn bold ideas into commitments. Dr. David Bryce, a strategy expert, states that “strategy is the essential 21<sup>st</sup> century

Developing a shared strategy creates risks. It means exposing ideas to criticism before they are fully thought out. However, these conversations pay off down the road in terms of fewer delays and lower costs in the implementation. They can even mean the difference between success and failure.

Maria, a director of product marketing, achieved success by bringing her team together to discuss a department reorganization. She and a peer manager outlined top priorities from the Vice President before meeting with the team. Although she didn’t have answers the team wanted about the change, she could outline “non negotiable” items. From there, the team was able to identify key business objectives, priorities, and current obstacles. This process helped the team focus more on customer needs, rather than their own personal agendas and fears. The team jointly created the strategy and took accountability to

**“Leaders often have too much of the strategy in their own mind, rather than shared across the organization.”**

discipline for mission driven organizations. Without sound strategy, the business becomes a commodity. With it, the business will thrive and grow.”

Strategic plans require consideration of the different people who are affected by the change and who actually implement the change. These people may include any of these groups:

- Partners
- Vendors/suppliers
- Customers
- Competitors (in some cases)
- Cross company teams
- Individuals or groups who are antagonistic.
- Individuals who will be personally affected in their daily job by the change.

Most leaders keep too much of the strategy to themselves. Unless a leader is heading a one person company, the luxury of keeping the plan in her head is too expensive to the organization. Managers and employees must do the bulk of the daily change work, not the head of the company.

reach out cross-functionally to bring in other departments. Over the next weeks, the team developed a common map to roll out the change.

The final part of creating a shared strategy is to maintain the support of upper management. Some managers get so busy with the change itself that they forget to manage up and keep the boss, the CEO, the board of directors, or the bank informed. Upper managers have many things on their mind and can have short-term memories about why the change was so important. Just because support was voiced a month ago does not mean the boss will be there to provide support when a problem arises. Plans and updates must be shared regularly. Keeping these people informed sustains support for the change.

**Decision #3: Am I personally willing to change?** Making a change is often seen as something the leader is doing *to* the organization or the people. Leaders can miss the fact that most changes require a change not only in their people, but also in themselves. Rarely do organizations make significant changes without the leader making personal changes.

Most leaders have some aspect of their jobs to which they are “addicted.” Leaders need to ask themselves, “What personal change is needed so the organizational change can succeed?” These changes relate to such factors as who time is spent with, the degree of strategic versus tactical conversations, and the types of responsibilities delegated. At the more personal level, it can mean adopting new behaviors and skills.

Initially, Martin saw the change as an organizational change that the two managers needed to deal with. In his mind, Martin wished the managers would just step up and do their job. The reality of situation was that Martin needed to step up and do his real job to help the managers be successful.

Martin had to realize that for the change to be effective, he had to change the way he coached and

## “Leaders need to ask, ‘What personal change do I need to make so the organization can succeed?’”

Consider the case of Anne, a product manager in a small firm. When her company was acquired by a significantly larger organization, she had to make some major changes in the way she led. Historically, her department had tremendous autonomy and she enjoyed working directly with the team. However, in the new organization, she had to change her department from being an isolated group to becoming an integrated partner.

The change required that she spend more time persuading managers across the organization and less time with her team. This behavior was very unnatural for Anne. Her comfort zone was to act on very defined tasks. Reaching out to people she did not know and trying to persuade them to support her team was mentally taxing. However, she knew that talking with other managers and executives was the only way to effectively make the change happen. In the end, Anne created positive strategic relationships across the organization and increased her trust for her team. Anne summarizes her experience in this way, “I used to believe that influencing managers just wasn’t me. Now, I see that it is a skill I have begun to learn and can keep learning.”

In another change, Martin, a mid-manager over 300 employees, had to reevaluate who he spent time with and what he talked about. He was recommending major changes that would affect employees in Asia, Europe, and the United States. One manager would jump from managing 30 to 70 people. Another manager would change from managing 100 to 25. Both managers reporting to him were facing emotional and operational challenges.

interacted with the managers. He had to give up time with other constituents in order to develop these two managers. For the manager whose scope was reduced, Martin had to spend more time on discussions about personal issues and key deliverables.

**Decision # 4: Am I willing to hold myself and others accountable?** In times of change, leaders will frequently “over assume” that tasks are being taken care of. Direct reports can unintentionally (and intentionally) convey overly positive messages about progress. To overcome this trap, a mutual understanding between the leader and the employee needs to exist on such issues as:

- What is really expected?
- What roles will each person play?
- How will success be measured?
- How often are updates required?
- What level of decision making authority has been transferred?
- What are the consequences of poor performance and the rewards of outstanding performance?

Leaders must do more than tell employees what to do. Leaders must truly discuss and listen to concerns so they can build commitment. When the commitments are made, the leader must then be willing to hold the employee accountable to deliver results.

One example of creating accountability is the case of Malcolm who took over a failing broadcast company. He set expectations with the management team and then held them accountable to deliver. Within months, it was clear that many of existing managers did not possess the skills or desire to achieve the needed results. He fired (or retired) several of the managers that were not performing. These choices received a lot of criticism from most every direction—that is, every direction except his manager. Malcolm kept his manager well informed of what was going to happen and why it was happening. His manager knew just why he was taking action and applauded the choice to hold people accountable. Not every circumstance requires terminations, but changes do require that people know what they must deliver and what happens if they don't.

Beyond holding *others* accountable, leaders need to consider just how they will personally be held accountable. If the leaders really want to create accountability, they can increase personal commitment by exposing themselves to the same standard they require of others. A leader can report in staff meetings, at company wide meetings, or to the board of directors.

A more private form of accountability is hiring an external coach to whom the leader regularly reports. Although private and less risky, this method provides a level of accountability that keeps the leader focused on critical issues. It can also give the leader space to process confidential issues that may not be appropriate for the larger leadership team.

**Decision # 5: Am I willing to embrace the people issues?** Managers often tell the employees, “The change isn't personal. It is merely a business decision.” That is nonsense. Although, the leader may not be making the change as a personal attack on anyone, the change has deep personal and emotional repercussions to the individual.

Employees who have to learn new systems, report to new managers, move offices, lose responsibilities, gain new skills, change hours, or

even lose their jobs are going to feel the impact at a personal level. The irony is that leaders tend to expect employees to invest personally in their work until it is time to change. They then expect the employees to walk away as a disinterested party. Such double speak is not lost with the staff.

As part of the “don't take it personal” mantra, leaders are lulled into the myth of believing the changes are not that big. This disconnect occurs because leaders have contemplated the change for so long that they are already comfortable with it. The novelty has worn off and the familiarity of the idea overshadows its complexity. Additionally, because leaders are not personally impacted by the change in the same way front-line employees are, leaders don't perceive any real losses.

Don't underestimate the impact of any change. Even seemingly minor changes can impact group dynamics, scheduling, and other more basic concerns such as car pooling and child care. Remember, changes have a ripple effect.

People don't embrace a change just because they are an employee. Many people resist change, even when it can be positive. People fear loss of confidence, decreased power, and even failure. They dread the unforeseen negative impacts. While it is true that people are being paid to do their job, they will do it better if their leaders help them adjust to change. To help people through the process, consider all of these tactics:

- Keep providing clear expectations
- Give employees time to accept the change
- Listen more fully to concerns
- Honor past contributions
- Avoid down playing the employee's personalization of the change
- Provide a clear plan for how employees will become retrained
- If layoffs are inevitable, consider providing job search assistance

Expect resistance and learn from it. Many problems can be solved by embracing the concerns of those who are most impacted.

**“Don't expect employees to support the change just because you pay them to be there.”**

**Decision # 6: Am I willing to listen?** The lesson of the busy radio operator on the Titanic should be considered by all leaders. A nearby ship called in to warn of treacherous ice in the area. The Titanic operator, overwhelmed with on-board communications, gave a sharp reply, “Shut up.” Similarly, many leaders have someone trying to tell them crucial information, but the leaders are saying, “Shut up, I’m busy.”

In a London manufacturing firm, a leader who was willing to listen, averted an organizational disaster. A rumor was out that the employees were

leader eventually got the message, valuable time was wasted because of lack of real listening.

**Decision # 7: Am I willing to get help?** If athletes and musicians make a regular practice of getting coaching, why do leaders have more difficulty with the concept of getting help? The answer is simple: Risk—both perceived and real.

A couple of reasons stand out for this condition. First, leaders and their followers collude about the leader having all knowledge. It can be mutually satisfying for followers to expect the leader to have

## “Leaders can’t afford to be like the Titanic operator who told the other ships to ‘Shut up’.”

going to thrash the shop floor in protest of the changes being made. John, the acting CEO, got word of the threat and showed up just before the destruction was supposed to take place.

Surrounded by angry, muscle bound employees, he stood up on a box and said he understand there was a lot of anger about the changes and he was there to hear about their concerns. He listened to the barrage of complaints without judging or down playing any issues. After the pace of complaints slowed, he asked, “What do you want to do now?” The group grunted and moaned and then someone responded, “Let’s get back to work.”

By avoiding the temptation to assume he already knew their thoughts, this CEO saved the company millions of dollars in damages and lost work. He took time to listen even though it was not what he wanted to do.

Leaders can easily fall into the trap of believing they are really listening. One computer hardware executive assured me that his management team was clear about the mission and direction of the organization because they had had several conversations and meetings. However, after interviewing his team, I repeatedly heard the need for more clarity on where the organization was going. After reporting this to the executive, he countered and said, “Oh no, we have covered this many times.” The team was trying to tell the manager something. Yet, he kept discounting their message. Although this

the answer (thus avoiding the need for accountability) and the leader enjoying the deference of the followers (the ego knows no bounds). We like people who are strong and confident. It gives us comfort. Likewise, it is great to be thought of as that person. So, leaders and followers set up a cycle that requires great effort to break. The burden of this collusion is actually quite high on the individuals and the organization.

Second, leaders suffer from the “you should just know” syndrome. They put this on themselves and each other. I recently heard one manager explain that “managers at her company should just know how to implement change because they are managers.” This logic implies that the mantle of leadership endows the recipient with a special ability to know aspects of every discipline. It ignores complexity, familiarity, skills, knowledge, capacity, resources, and desire. Although it is true that managers can learn the concepts and tools of effective change, the bestowal of these skills comes from experience and study, not title.

Sanjay, a customer service manager, accepted the job of improving the customer satisfaction rating of his company’s call center. To execute the plan, he relied heavily on his company’s internal consultants. He achieved significant improvement in customer satisfaction and advises his colleagues, “Don’t undertake these changes on your own. Get help from people who know how to do this.”

Help can come in the form of books, colleagues, peers, internal or external consultants, and executive

coaches. The scope of the change should dictate the appropriate path.

### **A Final Decision**

Taking a stand on these seven decisions transforms a faint picture into a beautiful work of art. Leaders who embrace these decisions can achieve more results and reduce the cynicism that is so commonly associated with organization change. It all starts with a making a decision.

**About the Author:** Dave A. Jennings, PhD, consults and speaks on leadership and change. Dr. Jennings has worked with leaders from around the world with such clients as Deloitte & Touche, ExxonMobile, Panasonic, Hewlett-Packard, and Microsoft. He is an Associate Professor of Organizational Leadership and Strategy at Brigham Young University. Contact him at [dave@davejennings.com](mailto:dave@davejennings.com) or 1.801.888.9292.