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Each month, this newsletter features a topic related to managing change and improving our work environments. If there are topics you would like to see covered or feedback you have about this newsletter, please submit your ideas or feedback to the following link: <http://www.anneoffner.com/contact.htm>

Implementing Change

Most executives I've worked with have had at one time or other in their careers the awesome responsibility of leading initiatives that can make or break a business. Whether working with people, groups or the big picture of organizations, growth happens in stages or phases. Growth requires us to modify our thinking, attitudes, and approach to leading. It also insists that we be open to new ways of doing things, new structures for working, etc. If people or organizations resist moving through the growth process, struggle ensues.

When I teach Organizational Theory, I discuss Greiner's Model of Organizational Growthⁱ with my students. According to his model, as organizations grow in size and maturity there are inevitable crises that must be managed and overcome in order for the organization to thrive long-term. The first crisis follows the initial growth period in an organization in which the founding leaders and their staff build the business, create products, services and systems "as they go along" to meet the needs of customers and other stakeholders. During this first crisis, a new leader is often hired to provide a different perspective and direction for the organization as it grows into its next phase of the lifecycle.

One client who had the responsibility of steering an organization after it had achieved

its first growth period is Kelvin Taylor, President of Maritz Loyalty Marketing (MLM). Kelvin stepped into a business unit that had grown quickly and achieved early success in its industry. When I spoke with Kelvin, he had this to say about his initial approach upon taking the job at MLM:

"I talked with a lot of people. I learned that this was a successful business unit that had grown quickly. As I listened, I heard what I would call clues, or red herrings, regarding the current state of the business unit. For example, when people said that it was run like an entrepreneurial organization or that the financial and delivery processes were developed as it grew, I understood that we were probably at a critical point that would require changes toward a business model that could sustain further growth."

Kelvin had the foresight to see that the firm was moving into a new phase of its development. While it's often difficult to recognize this when you're in the midst of growing a business, having an insistent leader with a vision can be helpful to move an organization to its next phase in its lifecycle.

Students in my Organizational Theory class also read Weitzel and Jonsson's Model of Organizational Declineⁱⁱ. This model validates Kelvin's intuition - leaders can and should take action during certain critical periods.



The Human Element

One of Kelvin's priorities was the people. His mantra, "The *who* is more important than the

what” meant that his first steps would be to create a healthier team dynamic than existed when he arrived as well as to build a high performing organization. According to Kelvin, “this is paying dividends for us today.”

While Kelvin has been at the helm of other change initiatives, he says he’s learned that “once you understand the issues and the current state of the business - making the appropriate changes is incredibly difficult.” He’s been surprised about “how wed some people can get to their current way of doing things; the intolerance some people have to looking at something in a different way.”

“I came in assuming that the Culture wanted to change. Any time you have a new leader, the incumbent management team rightfully is concerned that their lives could change for no other reason than a new person has come in. In retrospect I should have been more appreciative regarding their nervousness or concerns. I thought it was enough to reassure them but I should have repeated and reinforced this in words and deeds, daily.”

One reason Kelvin starts with the people is because they are the key to making other more fundamental changes in the business. “The processes needed to change and that took longer than I had anticipated – but you can’t be a battering ram about those kinds of changes, the kinds with human dynamics, of the human element.”

In terms of seeing results, Kelvin says, “I’m seeing positive signs that the organization is starting to understand the need for establishing processes. There was resistance to this because people thought we had processes. Now they’re seeing that the processes we had were right for one moment in time but the complexity of the solutions we offer and what our clients want has now called for revised processes.”

Key Success Factors

I asked Kelvin what he keeps in his mind as guideposts for implementing change – following is a summary:

1. You need to understand the Culture you are coming into.

2. Alignment between my stakeholders and me. Stakeholders are multi-directional. The most important alignment is the one with my bosses and me. It’s a given that the organization will resist change. The organization then checks in with people who hired people like me to make sure they know what I’m up to and asks “Is this what you asked this guy to do?”
3. Full understanding by all parts of the organization of why the change is needed. Agreement by everyone regarding the current state of affairs.
4. The need for everyone to recognize different leadership styles – there is no one right style. Even within the person, the style may have to change. I learned this through reading about successful leaders and observing them. For example, people follow a charismatic sales leader because they like the individual. Or people will follow other leaders because they trust their ability to get the job done – they may chafe at the personality but see a track-record of success.
5. Be realistic about how long it’s going to take. Any change that involves changing the Culture will take at least 3-5 years. Why the range? If it’s a young organization or if there’s been a lot of turnover it will take perhaps 3 years. If it’s been around a long time or people have been in place a long time – then longer. The perception of how successful things were before the change is another variable that will impact length of time.
6. How much information is shared with the front line people is important. The more information you share the easier it is to get things done and changed. The complicating factor is how willing are people to believe the information.



Missing Conversations

I asked a colleague about her experiences with change management. Susan Duff, who currently works in the Organization Development Department at St. Mary's Good Samaritan Hospitals, has also worked as an

internal consultant in financial services firms and as an external consultant and coach. Susan has found that the most surprising thing about change relates to what she calls *missing conversations*: "There are a variety of reasons for this. The one I see most often during times of change...is a result of assumptions being made. Once an announcement about a change has been made, it is expected that everyone will just fall in line. What top leaders forget are two things: 1) they are probably at the top because they are able to naturally adapt more quickly than the average person, and see connections more quickly than others 2) During a major change, often top leaders have given the change quite a bit of thought, and have gone through the natural stages of change all human beings go through by the time they make the announcement."

Susan talks about *Conversations of Purpose* as a remedy for the gaps in communication. "Constantly telling people (not just in one announcement) about the vision of where the company is going, why the change is being made, what will come next and ask for their help. Not all employees automatically see those connections; they need help seeing a bigger picture."

Accountability is also top of mind for Susan. For example in terms of slowly changing a company's culture – for instance from entitlement to empowerment, "what is required are lots of missing conversations about performance, feedback about both positive and poor performance, and the systems and processes to support those conversations."

Blending Experience with Research

Change involves a cacophony of variables. Even the most talented leader will find it challenging to ensure the variables are well-tuned to the needs of the business environment and culture.

The research literature tells us there are certain guidelines. As mentioned in last month's newsletter, one Conference Board study tells us there are common change management pitfallsⁱⁱⁱ. Poor communications, an unclear rationale for change, and mixed messages from top and middle management are barriers our guests in this newsletter agreed are important to avoid. Critical success factors mentioned by both our guests and the Conference Board study include a competent and knowledgeable leadership team, and the commitment and involvement of employees.

We know change is inevitable. As we learn more about how to be successful when implementing it, the key in my opinion is to use an iterative approach – read what others have done and researched while also applying our knowledge in the workplace to see what ingredients seem to be most useful for success.



Next Month

In the next issue we'll discuss the dynamics related to changing and influencing – ourselves, others and organizations. Enjoy the July 4th Holiday and expect to see the newsletter the second Monday of the month - July 10th.

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ⁱ Greiner, L. "Evolution and Revolution as Organizations Grow," *Harvard Business Review*. July-August 1972.

ⁱⁱ Weitzel, W. and Jonsson E. (1989), "Decline in Organizations: a literature integration and extension," *Administrative Science Quarterly*, 34, 91-109.

ⁱⁱⁱ Executive Overview of Effecting Change in Business Enterprises: Current Trends in Change Management, *The Conference Board* (2005).