

CHANGE MASTER SERIES

Leaders were ready to sail, too bad staff never left the dock

A real-life story of misguided senior management actions

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CANADIAN
HRReporter
THE NATIONAL JOURNAL OF HUMAN RESOURCES MANAGEMENT | www.hrreporter.com

This article first appeared in the Canadian HR Reporter (www.hrreporter.com).

Since 1987, the publication has served as Canada's indispensable guide to human resources management.



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Leaders were ready to sail, too bad staff never left the dock

At what pace can we drive organizational change? The answer depends primarily on two factors: first, the specifics of the change situation itself; and second, the actions and attitudes of senior management, which also represents the most important determinant of success or failure.

The complexity of the required change, the level of urgency and the degree of change fatigue are all critical, but senior management has little control over them. However, when it comes to its own demeanour and mindset, the senior leadership team has more latitude. The following real-life “horror story” underscores three major senior management pitfalls that considerably slow down and jeopardize any change effort.

A tale of misguided senior management actions

Consider the case of this international company operating in the computer services industry.

As a result of the drastic change of its market, one of its divisions had to reinvent itself. John, a senior manager, was parachuted-in from corporate office to take over the business, redefine its strategy and oversee its transformation. John’s powerful intellect was recognized and respected by all. His first decision was to bring on board a second-in-command, another bright manager named Donald, with whom he had worked on previous assignments.

Working as a tag-team, John and Donald spent the first few months analysing the environment, crafting a new market strategy and assessing the organization against the new direction.

They quickly came to the conclusion the organization was unfit for the new strategic

path. They announced a new organizational design, reshuffled management responsibilities and fired a senior leader who they saw as symbolizing what was wrong with the division.

To fill the void in the new structure, they promoted middle managers and hired from outside. In both cases, the top selection criteria were high intellect and solid technical expertise.

To justify the change, John and Donald embarked on a relentless critique of the past. They highlighted all the flaws in the existing culture, complained publicly about the attitudes of the old timers and criticized the processes while forcefully describing how the organization had to operate moving forward.

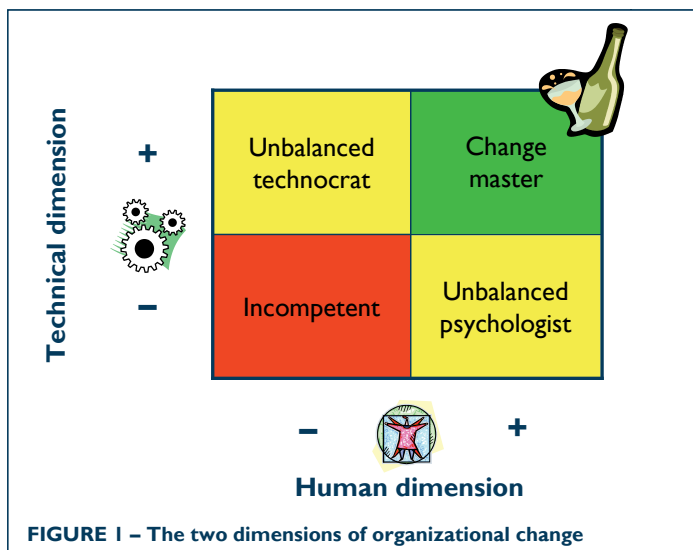
They unilaterally defined performance objectives for the various areas of the business and started implementing tight controls. When a group wasn’t performing to their expectations, they encouraged team members to identify those responsible – boss, peers or subordinates.

Scapegoats were regularly fired or demoted, while the “informers” were often rewarded with greater responsibilities.

After a year, the leadership team had become homogeneous: a bunch of bright and highly technical folks who were trembling before John’s public criticisms and sharp axe. The climate of fear and paranoia that emerged quickly cascaded down through the organization.

This flurry of initiatives primarily targeted the “hardware” of the division, as opposed to its “software”.

In order to help realign the business, John and Donald hired an army of smart consultants. These outside experts performed various operational audits, provided an array of recommendations, and worked on the various aspects of the change program – redesigning the core processes, revamping the technology infrastructure, realigning the compensation system, etc. The brighter the consultants, the more influence they had on John and Donald.



Actively managing these soft issues was clearly beyond management’s comfort zone, interests and capabilities. Middle management could have picked up the ball, as they worked closely with employees and therefore had a better emotional connection with staff. Unfortunately, the complete loss of trust and respect had greatly hampered their ability to compensate on the soft side.

Moreover, middle management had been largely cut out of the change process. After all, as Donald once said, “they aren’t bright enough to add tangible value at this stage.” As a result, middle management had difficulties translating the need for change in terms that would resonate with employees.

This flurry of initiatives primarily targeted the “hardware” of the division – its structure and systems – as opposed to its “software” – the attitudes, emotions, motivations, values and commitments of employees at all levels.

In addition to being unbalanced, this one-dimensional approach eroded the “software” of the organization. For example, bringing external experts to uncover structural flaws demonstrated a clear lack of respect for the past and reinforced the climate of fear.

By having consultants pilot key aspects of the program, the method also prevented commitment building through genuine employee involvement.

On the surface, despite the reckless disregard for the “software” of the division, the structural changes were implemented with reasonable success. Therefore, John started focusing his attention to what mattered most to him – managing up and interacting with customers – while Donald continued to drive from the top even tighter operational controls.

The climate of betrayal and criticism that emerged resulted in the full gamut of toxic emotions, from fear to disengagement. Largely skewed towards the technical dimension of the business, senior management wasn’t equipped to recognize let alone deal with the negative impact of these emotions on the change process and business alike.

It couldn’t link the change agenda to the task, roles and contributions of each individual. Sadly, these dynamics reinforced the perception among senior leaders that middle management was “weak.”

A couple of years later, I bumped into John at a conference. He expressed his frustration at the limited benefits of his change program. “We have the right strategy, but they don’t get it,” he said referring to his people. The change artist looked quite grumpy.

According to the latest news, the “software” of the organization remains in disarray, a few more

Their fatal flaw was an inability to think in an integrated manner across the two dimensions of change.

heads have rolled and another restructuring is in the works...

Balanced rowing on the port and starboard

John and Donald devised a brilliant market strategy. They also deserve high marks for identifying the change required to realign the organizational “hardware” with their strategic intent.

Their fatal flaw was an inability to think in an integrated manner across the two dimensions

of change – structural and human (see Figure 1). They didn't balance their change program with interventions designed to strengthen, adapt and leverage the social and emotional fabric of the organization. They built a team of like-minded senior managers, blind to the people side of change.

Although they relied heavily on technocrat-consultants, they didn't seek expert assistance

Their second mistake was to decimate the trust and respect that existed within the organization. Highly analytical managers are especially susceptible to this trap.

with the soft side. In a nutshell, upper management was replete with IQ and technical expertise but dangerously deficient in EQ.

When it comes to change, I tend to favour navigation metaphors. Often and to my delight, my clients elaborate on them. While discussing the importance of a balanced leadership team, a C.E.O. client recently said to me: "I see, the organization is like a rowing boat, with management doing the rowing. The starboard represents the technical aspects, and the port the human dimension. If we row too heavily on either side, well, we'll go in circles or we'll have a hard time navigating the sea of change."

To avoid the "John & Donald syndrome," the top leader has to take an honest look at the mirror. Being unbalanced in the two dimensions of change is fine, as long as you recognize it and look for ways to compensate – most effectively with a strong second-in-command possessing complementary style and philosophies. The need for balance also applies to the entire senior management team, as well as the leaders in charge of implementing the change.

Drilling a large hole through the bottom of your boat

John's second mistake was to decimate the trust and respect that existed within the organization. Highly analytical managers are

especially susceptible to this trap. Indeed, solving a technical problem often requires breaking the system apart before rebuilding it.

Analytical types tend to apply the same method to people and cultural issues by stressing the shortcomings, which in their mind also helps build the case for change.

Unfortunately, once the social and emotional fabric of an organization is torn apart, it is extremely difficult to repair again. Without trust and mutual respect, two essential ingredients to a collaborative effort between upper management and the rest of the organization, change becomes an impossible pursuit.

Decimating trust and respect is the equivalent of drilling a large hole through the bottom of your boat.

For instance, it is unwise to fixate on the misaligned aspects of the culture. Management should also uncover and communicate the cultural elements that must be leveraged towards achieving the vision. The message then sounds like: "we clearly have to navigate a different route, but we will maintain the heading". By providing a degree of stability, it reduces anxiety, confusion and resistance to change.

Their third blunder was to underestimate the importance of middle management in promoting change throughout an organization.

The warrant officers are critical

John's third blunder was to underestimate the importance of middle management in promoting change throughout an organization. Change is a game of proximity. Whether you measure distance in term of geography or hierarchical levels, distant leaders cannot play the game effectively.

On the other end, because they work closely with employees, middle managers can position the need for change in terms that truly resonate with each individual. They can link the big

picture to their role, tasks and interests. Middle managers can adapt the change plans to their specific situation.

And through their line of sight, they can correctly gauge the emotional temperature in the organization. Yet, all too often, senior leaders follow John's path and forget to leverage their 'warrant officers' – most typically by keeping them in the dark and not working hard enough on earning their genuine commitment to the change.

Opportunity for influential HR executives

Most executive teams are skewed towards the technical side; they tend to overemphasize what needs to change; and they don't leverage middle management nearly enough. This represents a unique opportunity for HR executives to contribute to strategy execution. However, high credibility within senior management is a necessary prerequisite here. HR leaders who naturally think across the two dimensions of the business tend to earn the respect of their colleagues. Senior managers listen up when they advocate a more balanced approach to strategic change. They welcome their guidance and coaching. Conversely, HR leaders who haven't earned the necessary respect cannot influence the C.E.O. and his team. Two options are available to them. They can try to communicate their message through someone with credibility – ideally an influential executive who understands both dimensions of change, or else an outside expert. Otherwise, they will be left mitigating as best as they can the damage to the people dimension.

ABOUT THE AUTHOR



Edmond Mellina is president of ORCHANGO – a provider of innovative and proven learning programs especially developed for organizations in transition. With its flagship Change Master Program, ORCHANGO is known for world-class change management training.

Edmond is internationally recognized as an expert in the field of change and transition management. He is the creator of the ORCHANGO Change Management System™ and the ORCHANGO Learn-and-Execute System™.

Edmond's articles have appeared in leading business publications around the globe; the media regularly interview him as an expert source.

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