People Don't Hate Change, They Hate How You're Trying to Change Them

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Do you have big ideas? Are you motivated?

If you answered yes to both questions, that's great. It continues to prove that there are a lot of us like that in the world. However, somehow when we come together to work in organizations, too often individuals with the big ideas and motivation are squelched and marginalized. It doesn't have to be that way. We can do better.

According to a summary of over 40 research studies on change, the success rate of strategy execution and corporate change programs is 33%. At the same time, a Conference Board survey of over 600 global CEOs revealed that the top two challenges they see are: 1) generating consistent revenue growth and 2) strategy execution. This translates to weak performance on the top executive priority, a situation that needs to change.

There are some fantastic examples of companies that have fully engaged their employees in making bold strategic moves that have generated huge returns. Apple was almost being written off as a computer company, and then with the iPod and iTunes, they focused their efforts on a specific set of applications and customer needs. It required a massive refocusing to deliver a fully integrated and seamless product. As a result, they turned their company's fortunes around and changed the face of not only the commoditized MP3 player market, but the entire music industry as well.

Nintendo had just about lost the video game platform wars against Microsoft and Sony. Then they set off to create a completely different type of gaming experience and one that moms would love to have in the home (no easy feat). It required radical changes to many parts of the company and a strategy to align and execute a cohesive plan with the game controllers, console design, software, online services, game developer relationships, marketing and manufacturing. The result is the Wii, and it has not only completely turned around their company, it has opened up entirely new segments of markets that didn't exist before.

Look at Starbucks and what they did with coffee houses, or IBM shifting from a hardware and software company to being a leading IT services provider. The employees at all of these companies have thrived on change, bringing out their best talents, creativity, ingenuity and determination. Why can't we all work in organizations like these? We can, if we focus on the right challenges.

Because so many of these programs fail, some executives and managers start to believe the old saying that "people hate change" must be true. That is *not* true. In fact, employment surveys reveal that the top reason good employees leave companies is over a lack of new opportunities and boredom with stagnant, never-changing, dead-end jobs.

People don't hate change; they hate corporate change programs. How can we fix that?

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A WAKE UP CALL

My wake up call to this issue came early in my career. I was working at a large telecommunications company in California and had just been promoted from leading a sales and service organization to overseeing product strategy for a $300 million product line. My wife and I decided to move from Southern California up to the company's headquarters in the San Francisco Bay Area.

My first day at headquarters, a person was showing me to my new workspace. She mentioned with pride that the building had some great innovations—like a lake that served to cool the offices and mail delivery robots. She also bragged that it was the biggest sea of cubicles west of the Pentagon. To me, that didn't seem like something to be too proud about, but I was new so I didn't say anything. One cubicle, just down the hall from me had an address of 4S750R. Sounds like an inspiring place to work, yes? Well, it was inspiring for the owner of that cube, who was Scott Adams, the creator of Dilbert.

So I began working, unknowingly, in the land of Dilbert. About a few weeks into the new job, an invitation arrived at my desk for a major corporate change program. We were going through deregulation and needed to transform ourselves from a utility into a high-tech competitor. As I talked about the invitation with my peers, they started asking questions like, "Is this mandatory?" "Do we have to go?" and "Will the boss be there?" I couldn't understand why they weren't excited to participate in helping to shape the future of the company? What was wrong with them?

Here is where my wake up call became more of a rude awakening. As we entered the conference room for our corporate change program, it was decorated with fishnets, plastic fish and ocean-themed table decorations. For a moment I thought I was walking into my son's pre-school room rather than a serious business meeting. But, by the end of the day, we actually came up with flip charts full of some ideas. About two months later, however, it was clear that nothing was going to change, the program was dropped and it was on to the next program.

I realized after a couple more of these programs that we weren't in the land of Dilbert at all. We were in the land of the Peanuts. People felt like Charlie Brown being baited by Lucy to take just one more run at the football to try and kick it. And, as we all know, running to kick that ball would always end up with Lucy pulling the ball away and poor Charlie Brown flat on his back. People had been fooled by these sugar-high programs that would spike up and be abandoned too many times. They were jaded about these corporate change programs, and rightfully so. So, as leaders, how do we break this cycle? What does it look like for companies that get it right and are able to turn their big ideas into big results?

Near the end of my time at that company, I was running a corporate strategy team and was asked to work with a transformation consultant. I thought, "Another consultant, great." But when Bob Miles came in, he immediately struck me as different. He arrived with just a small team of himself and two or three other consultants. His perspective was that he would provide the process, but we had to do the heavy lifting as leaders in the business. It was a completely different approach that was leader-led and driven by engagement and accountability.

Later, I learned why Bob's process felt different and effective. It was developed with business leaders to drive results, rather than just a group of consultants or academics. In the early 1980's, Bob led an innovative program at the Harvard Business School called Managing Organizational Effectiveness. CEOs and their teams worked with non-competing peers and faculty to develop action plans to solve their biggest challenges and returned nine months later to report on their progress. The most common challenge faced by executives in the program was not figuring out what to do, but how to get teams of people to "move the corporate mountain." Those lessons became the beginnings of the ACT process we now use and have written about in our book, *BIG Ideas to BIG Results*. Following are some of the highlights of the process and what makes it work.

DO MORE ON LESS

First, we need to fix the problems created by overuse of one of the most popular and most reviled phrases in business language… doing more with less. People are sick and tired of having budgets and headcount cut with no shift in priorities, new initiatives layered on top of already over-burdened staffs, and then simply told to do "more with less." At one point—when information technology systems were first being deployed to handle routine tasks—it was reasonable to reduce staffing or maintain staffing while growing and claim to do "more with less."

However, today that phrase has become a throwaway phrase that is used either as an excuse for not prioritizing work when resources become constrained, or when an already overloaded group of employees are told to overlay a big change program on top of what they are already doing day-to-day. It doesn't work.

I recommend you consider a replacement philosophy when facing tough business situations. That is, doing "more ON less." That means more resources, more people, more management attention, on just the few most critical initiatives that will have the greatest impact on results. It's about focus and prioritization.

Mark Hurd at HP has made a bold move recently to reduce his R&D portfolio from 150 projects to just 20 to 30. It is not a cost cutting move. They have decided to maintain resource levels, but focus all of that energy, creativity, and ingenuity on only 20 to 30 projects that have the best chance of driving new growth for the company. This is what doing more on less looks like for a project portfolio.

When John Thompson took over as CEO at Symantec, he took on three divisions in a company that was generating several hundred million in revenues. That was already very large for a software company at the time. However, the board was looking for John to grow the company to over a billion in revenues. He could see that management attention, development resources, and funding were all spread way too thin across the different businesses to truly win in any one of them. Working through some strategic assessments, he and his team decided to focus more on less. They sold two divisions and then used that capital to acquire new companies and deepen their position in just one market, systems security and anti-virus. Most people wouldn't think of accelerating growth by reducing the number of markets served, but that is what John did. The company accelerated its growth and has gone on through many more transformations—now as a multi-billion dollar company in revenues. Again, more on less.

Often, change programs are launched when a business is challenged and people are already feeling overloaded, and the launch of the major change program becomes an overlay program on top. It is overwhelming and people repel those programs. However, a focused and streamlined program that is intended to end up with a solution of doing more on less overall sets everyone up for success. Think about this… is your goal to get the most out of people or the best out of people? You typically can't get both.

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THERE'S NO SUCH THING AS BUY-IN

Just like the phrase "more with less," the phrase "buy-in" needs to be struck from our business language. Buy-in doesn't work in the way it is usually attempted. Buy-in was a band-aid fix for the high failure rate of business process re-engineering (BPR) projects of the 1980s. In fact, shortly after the process was popularized, the fathers of BPR admitted that the one thing they forgot in driving after all of that business efficiency was the people. So, the step of buy-in was added to the end of these projects, with perhaps a bit of surveying of people up front.

Today, buy-in looks like a cycle where executives, often with the help of systems or business process consultants, decide what changes to make to the business. They may poll a few people in advance, but already have a complete change decided upon. At some point they realize that everyone in the company will need to do things differently for their changes to produce results, and decide they need to go generate "buy-in." The problem is that the programs are billed as open input and feedback sessions, but, truly, all of the decisions have been made and what is really desired is for people to just accept the changes and move on. It becomes an exercise in building a compelling story and communications program to convince people that the decisions are right. However, even if people accept the changes, they are often not operationally sound, due to the fact that the people who have to implement the solution weren't really included in the design up front. There are often simpler solutions to meet the same objectives that weren't considered. People who speak out at that point are labeled as non-believers and trouble makers. But in the end, they often show up as prescient advisors, like General Custer's scout who warned against going into battle too early without reinforcements.

Successful companies engage people much earlier in the front end of the planning process. When people are engaged up front and are a part of generating the tactical plans, there is no need to get "buy-in" at any point. The ideas are already theirs. This does not mean opening up the strategic direction to a company-wide consensus process. In fact, at one company, a CEO launched a process to invigorate change by letting anyone ignite an initiative from any level in the organization that would help growth. His concept was that by “lighting 1000 fires, the company would be transformed from the bottom, up. It was exciting for people at first, but as the realities sank in that there was no way 1000 initiatives could get truly implemented, it became frustrating. A new CEO came aboard and immediately disbanded the 1000 teams. He worked with his team to develop three major initiatives that would provide high impact to the company over time. Everyone in the organization was then invited to engage in how to make those happen and provide that same creativity and ingenuity, but this time it was all focused and aligned on common goals. The result? The company moved from the bottom 10 in shareholder value creation on the S&P 500 to number 2 in just one year.

At a concrete manufacturing company, the results were beginning to slip as gas prices spiked. Corporate staffers gathered and tried to generate big ideas for saving fuel. When their efforts produced little savings, the CEO suggested that the truck drivers should be engaged in finding answers, as they were closest to where the fuel was being used. With many skeptics watching, the CEO gathered the drivers. At a working session they came up with some new ideas, like making tire pressure a more routine maintenance check each morning and making a decision to shut off the motor when trucks are waiting at a job site for more than a few minutes. These ideas ended up yielding big savings. And more importantly, when it came time to implement these changes, there was no need for a big “buy-in” campaign. There was already ownership and therefore accountability to making the ideas work. In fact, the employees wanted to prove to management that their ideas would generate results. That’s the power of engagement up front. When people are invited in to help solve tough business problems and have a big impact on the results, they become inspired, motivated and engaged. This approach to leadership unlocks power in the organization.

LEADERSHIP – IT'S NOT ABOUT YOU

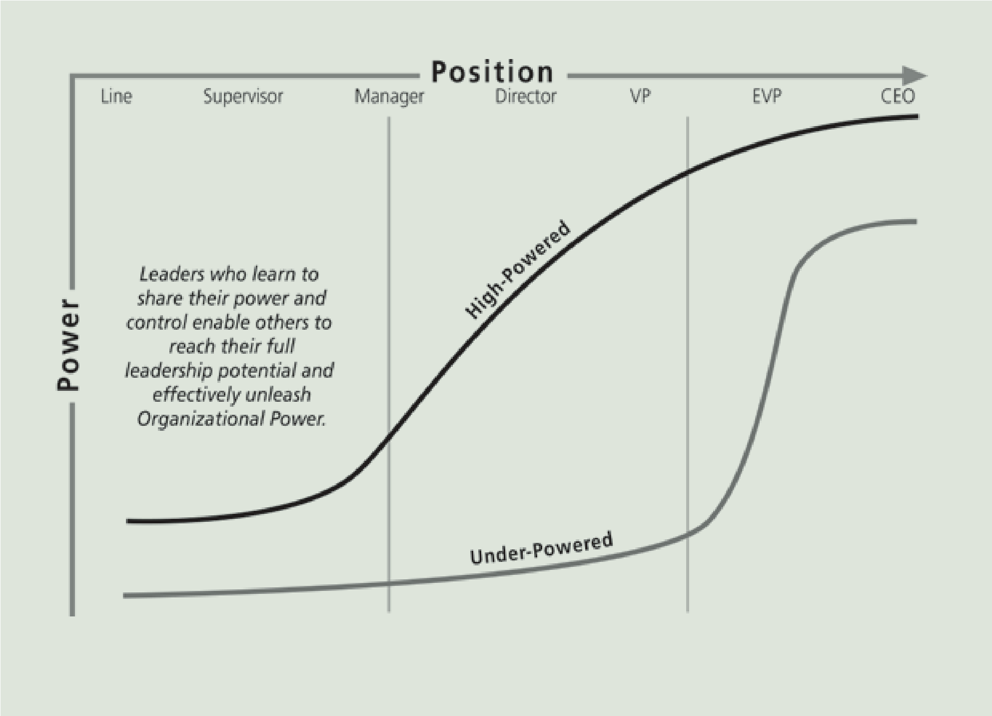
If you want to learn about great leaders, don't talk with them, talk with their team. The mark of a great leader is not how high they rise, but rather how those around them reach excellence in their careers and lives. Leadership development often focuses on what we can do individually to be better leaders, such as being authentic, serving as a visionary, practicing good judgment, and holding others accountable. Those are all important skills and qualities, but not the best measure of leadership or how to unleash power in an organization for transformation or strategic change.

When you, as a leader, are looking to generate a significant shift in how people work, think, and act, it is one of the biggest challenges of leadership you face. At one retail company, new leadership had been brought in to turn around a five year slide in revenues. The brand name was tarnished, foot traffic in stores was down, and new competitors had entered the market. The new leaders knew that the company required a fresh vision and mission. They gathered a small group of three people and developed a new mission and direction for the company. Then, with the plan in hand, they took it to their executive team for buy-in. At that meeting, the executive team simply sat with flat looks on their faces as they heard the new direction. The leaders were surprised at the lack of energy or excitement. Later, the President reflected that it was one of the worst meetings he had ever attended.

The leaders continued on with driving the new direction they had created, but all of the energy of two people could not get over 10,000 people into motion. A few months later, they doubled back and tried a different approach. This time, they engaged their executive team in understanding the challenges of the business and in thinking about how to turn around the slide in revenues. This time, the executive team rose to the occasion with creative ideas and pent up frustrations about decisions that should have been made years ago. As the strategy began to take shape, the executives successively engaged each layer of management through leaders at all levels. The two top executives were still making the final decisions, but the shaping of the strategic plans was being generated throughout the company. Vice presidents worked with their directors, directors worked with managers,

managers worked with supervisors, and finally supervisors worked with individual contributors. Each leader was asked to step up and lead their portion of the strategy execution effort.

Three months later, the company experienced the largest sales day in it's entire history, including the heydays of prior years. Upon reflection of that performance, the top executives were asking their team how it had been accomplished. Many of the major initiatives had not yet been fully executed, as it had only been three months. One of the executive team stepped forward and explained, "Maybe this is what happens when you get 14,000 engaged and excited about the business again."



Leadership impact is not about how aggressive, decisive, and visionary you are, it is about how you bring that out in others. Looking at the model of Power Curves can provide a view into this dynamic. If the leaders focus on their own power only, the organization becomes underpowered. If leaders focus on growing leadership capabilities of those around them, the organizational power grows and the leader's power scales. The higher you move in your leadership levels, the more important it becomes to understand the sharing of power.

Image Source: *BIG Ideas to BIG Results*

THE ONE KEY

There is a tremendous amount of creativity, ingenuity and determination that is untapped in companies. The change programs so often used are flawed. People have come to hate corporate change programs and they don't work. However, architecting a transformation or change process that is based on focusing on doing more on less, engaging people up front, and driving with leaders at all levels produces breakthrough results. The ACT process is a proven framework to start with as a guide to improving your process or putting in place a new fast, effective and repeatable change process.

Consider one mindset shift that can unlock it all for you.

If you believe that people hate change and that it is your job to change them, they will hate it. If you believe that people thrive on change and that your job is to unleash it, you will tap into a limitless source of ingenuity, energy and drive that will allow you to consistently take your big ideas into big results.

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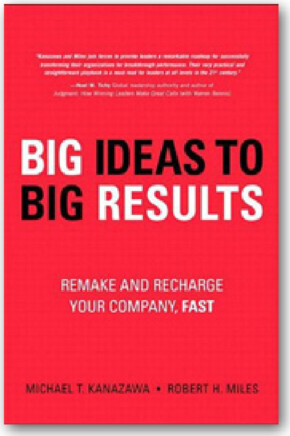

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Get more details or buy a copy of Kanazawa's *Big Ideas to Big Results*.

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