



## WHEN CULTURE RESISTS CHANGE

THE PATH TO COMPETITIVE ADVANTAGE AND MARKET LEADERSHIP

*You know you need to get your organization to a “new place.” The ways in which the people who make up your organization work, think and behave may be working today (or maybe not), but for that future you see on the horizon, today’s methods are just not going to make it. Your challenge is to move your organization from where it is today to where it needs to be in order to thrive in that future you envision. And you must do it before that future runs you over like a freight train.*

No matter where you wish to take your organization, you will need the support and commitment of a majority of your managers and employees if you are to succeed. However, getting your people “unstuck” — getting them to not only embrace your vision, but to change the way they think and work in order to achieve it — often is more challenging than defining an appropriate destination. Is it just our natural resistance to change that gets in the way, or is there something more basic going on here?

The fundamentals of moving your organization are not particularly hard to grasp; the challenge is less in understanding what needs to be done or, in fact, even in *doing* what needs to be done. The real chal-

lenge is in doing what needs to be done while you keep your organization successfully running, a feat somewhat akin to rebuilding the engines on your airplane at 10,000 feet.

The key to achieving meaningful change in your organization is to align every thought, action and behavior (the manifestations of an organization’s culture) with the clearly defined and communicated vision you have established. While this can seem a daunting task, when you approach it from its fundamental components it can, with persistence, be achieved.

“Would you tell me, please, which way I ought to go from here?”

“That depends a good deal on where you are trying to go.”

— Lewis Carroll, *Alice’s Adventures in Wonderland*

### FIRST, GET CLEAR

Get your leadership team together and get clear about where you are going and why. Work with your leadership team to make the case for change clear and unambiguous. If you are in

the throes of a crisis, great; people can understand the need for a new boat when they see water around their ankles. However, if your organization is not in crisis, then your challenge is to find a way to translate the imperatives for change that are driving you into a language everyone can understand.

One word of caution here: we have observed leaders who attempted to move their organizations by creating an air of crises and leveraging the fear they created to break down the natural resistance to change. It worked pretty well the first time, and they even had some success the second. After that, however, all credibility was lost and anything short of smoke in the air conditioning ducts was systematically ignored by everyone in the organization.

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**AVOID THE “ANYPLACE ELSE BUT HERE” SYNDROME**

Getting clear about the need for change is not the same as knowing where you are going. Many of the leaders we work with initially couch their objectives in terms of what is not working in their organizations today (a focus on the breakdowns) rather than where they are trying to take their organizations.

There are two dangers here: The first is that discomfort with the current state provides plenty of traction to help you drop the old mooring lines and set your organization adrift. However, once you start the transformation, people need to know where they are going if they are to focus their energy and sustain the momentum. Otherwise they will continue to drift or, worse, return to the old ways you are trying to escape. As a case in point, over the past 10 years we often have witnessed remission among companies that embarked on their “total quality journeys” but failed to link them to their organizations’ strategies. All that time, energy and money to develop a powerful organizational capability, and they never hitched it to their strategic wagon.

A second danger is that while fixing what’s broken is certainly important, if it is not done in the context of where you are trying to go — as opposed to where you already have been — you run the risk of getting better and better at doing the wrong things. No one will build a better buggy whip than you.

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**DON’T LEAVE HOME WITHOUT YOUR TEAM**

The process of getting your leadership team fully committed to a shared vision can be messy and slow. There probably is no group in your organization more emotionally invested in “the old ways” than it is. But, unless the team is as committed as you are to a shared vision, the rest of the organization will hide in the shadows it casts.

If your leadership team is not aligned with your vision, you either have the wrong vision, the wrong team, or you have not effectively communicated your perspective. Listen carefully before you decide which is the case, but don’t quit until you all are in the same place.

One small nod to reality, however: We have yet to work with a leadership team in the early stages of a change initiative where every member of the team is crowded into the right side of the “bell curve.” Some of your team will buy into your vision instantly, almost at a visceral level. A few may fortify the left side of the curve and be almost impossible to move. (You probably will see it in their actions, not their words — an initiative killer referred to as “death by lip service.”) Focus on those in the center; that is where the leverage for change lies. If you can move the majority of your team to the right, the few on the left either will move to the middle or move to the street.

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#### THE VISION AS A TEMPLATE FOR DECISION MAKING

What we are discussing here has a number of descriptors: “vision,” “statement of purpose,” “strategic agenda.” But what is important is not what you call it, but how you use it. This description of where you are going as an organization is critical; it is the highest level template for the millions of decisions made in your organization every day. We have found that the most effective models are clear and concise statements that then can be fleshed out with descriptive dialogue to ensure everyone in the organization shares the same understanding of their meaning. The often quoted mantra from Bill Clinton’s ‘92 election campaign, “It’s the economy, stupid,” may have required further description to ensure everyone was on the same page, but once communicated, it provided a clear and unequivocal point of focus for everyone in his campaign.

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#### CREATE, COMMUNICATE, TRANSLATE

It has been several years since a leader has said to us that as long as he (or she) was clear about the vision, and everyone else did as they were told, eventually the organization would get there (and if there are any holdovers out there, this is your wake-up call.) The process of establishing a clear vision for your organization is as much about internal communication as it is about planning. The challenge is not in coming up with a vision, it is in making it meaningful and “available” to everyone in your organization every time they must make a choice.

A few years ago we were guiding the visioning and strategic planning process for a well known manufacturer of a line of high-quality consumer products. At one point the chairman, reacting to some data we had presented to the contrary, hit the table and firmly stated, “Everyone in this company knows that the quality of our product is *the* most important thing!”

What the data said, however, was slightly different and reminded us of the “Telephone” game we used to play at grade school birthday parties:

The chairman was clear and unequivocal.

His direct reports were clear that product quality was the highest of a number of priorities.

The middle managers did everything they could to ensure business objectives were attained with the highest quality possible.

The supervisors were committed to producing a quality product as best they could considering the pressures of delivery schedules and budgets.

By the time we got to the loading dock we heard, “I don’t care if it is ‘B’ (inferior) product. It’s October (the pre-Christmas crush), and it’s going on the truck.”

Communicating the vision is as important as the vision itself and, lest you be concerned, you cannot over communicate your vision. When your leadership team says, “If I hear him/her say that one more time, I’ll scream!” then there is a slim chance a faint echo has reached the shop floor, although it’s unlikely anyone down there is listening yet. It doesn’t matter what’s in your head. If your people aren’t clear about what is important, they have no context for making all of the minute

decisions that are made every day in your organization. No context means no consistency, and no consistency means diffused energy.

But not only do you need to communicate your vision, it must be translated to a language appropriate for everyone at every level of your organization. The boss who charges up to his/her administrative assistant on Friday afternoon and says, “I need you in here on Sunday to help with the Wolmack proposal because if we get it, it will enhance shareholder value” has probably failed to translate a positive outcome into a language that has meaning for the administrative assistant. But “enhanced shareholder value” provides capital for growth — growth means greater opportunities for promotion, more money in the compensation plan, a larger contribution to the 401(k), greater job security, etc. A well communicated but poorly translated vision is noise. A well communicated and well translated vision has a good chance of influencing behavior.

If it has occurred to you at this point that most of the visions you have seen (usually on plaques on waiting room walls) don’t lend themselves to easy communication and translation, you’re right. If you understand that your vision is the heart of your internal change communication strategy, it should be obvious that it must be crisp and concise. Think about the impact to an organization of a vision that rambles through “We will endeavor to deliver the highest levels of ...” compared to Ford’s “Quality is Job One” or FedEx’s “People, Service, Profit.” There is a lot of supporting language behind these pithy statements, but the statements themselves — and what they stand for — are “accessible” to everyone in the organization for every decision that needs to be made.

#### **NEW WAYS REQUIRE NEW TOOLS**

If you want your people to work in new ways, you will need to provide them with the new tools they will require to succeed. And in most change initiatives, specific skills training is one of the first activities contemplated. Automating a back office operation, reengineering a production line, or introducing a significantly different product line to a sales force creates an immediate need for skills training among those effected.

Often overlooked, however, is the need to address what we refer to as the soft skills. For example, over the past few years we have worked with many organizations that have flattened their infrastructure, and it is no longer unusual to find managers who have 20, 30, or more direct reports. A manager who was adequate in an environment of 10 reports may fail when asked to oversee the work of 20, and it is not just that he/she has more people to look after.

As spans of control increase, it becomes increasingly more difficult for managers to be involved in every significant decision. Now, instead of making the decisions, they must learn to manage the context in which decisions are made. Managing context is a process of establishing clear frameworks for decision making (based upon the organization’s vision and strategy and the work group’s specific objectives), and then empowering employees to make decisions within those frameworks.

For managers who have worked their way up from the technical “bench” in traditional hierarchical organizations, a whole new set of leadership skills — often unlike any they have ever see before — are called for. This is one reason leadership and management training has become such a hot item over the past few years.

Another example is the current trend toward autonomous self-directed work teams, and we have seen some powerful examples of effective functional and cross-functional team structures. However, an effective team is a whole lot more than eight people sitting around a conference room table doing fishbone diagrams. Of course they need the templates and tools that will allow them to succeed, but they also need to understand the human dynamics that can derail even the best prepared teams. To launch a team without the proper training in both the hard and soft skills greatly increases the probability they will fail to achieve meaningful results. And, after a couple of failed initiatives, it becomes increasingly more difficult to break through the residue of skepticism abandoned initiatives leave behind.

#### **ALIGN YOUR PERFORMANCE DRIVERS**

Embedded in your organization are a number of systems that shape the behavior of your employees. Some are obvious and intentional, such as sales commissions. Others are subtle and perhaps even unintentional, for example a sales incentive program that drives new-client prospecting in spite of a marketing strategy that values expanded relationships with current clients.

Any soft systems that are in conflict with the changes you desire will act as a barrier to change. The sooner these systems are identified and aligned, the better. But conflicting systems not only misdirect behavior, they often are seen by employees as an indicator of a lack of resolve or commitment

on the part of the leadership team. A few years ago we worked with a utility that had initiated a customer satisfaction focus and couldn't understand why the customer service center phone representatives continued to get low marks from customers. When we explored the situation the cause became obvious. In the words of one employee, "If they really wanted me to make the customers happy, they would give me more than two minutes (the call time standard for the phone reps) to do it; I don't have time to be nice."

The time standard was in place as a means of controlling departmental head count, a reasonable goal in spite of the apparent conflict with the organization's customer service strategy. After all, balancing customer satisfaction with cost is a basic challenge of management. However in this case, the message the two-minute call standard sent to the service center employees was more important than the standard itself.

If a conflicting system cannot be perfectly aligned, the rationale for the system must be communicated and its negative impact minimized. In the case of the utility, the gist of the communication was something like this: "We are committed to customer satisfaction. We realize the two-minute service standard makes it more difficult for you to do that, but if costs get away from us we won't be here to satisfy anyone. How can we work within the framework of the call standard to enhance the experience of our customers?" Representatives from the call center then were chartered as a problem solving team and asked to make and implement recommendations. It's called empowerment and, when it is done right, it works.

Any message about change that you are trying to send will constantly be tested against the day-to-day reality of your soft systems. If your message is not consistent with your soft systems, your employees will ignore the message and respond to the systems. If you can change the soft system to align it, do so. If you cannot, modify your message to reflect the reality of the system.

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**IF YOU AREN'T GOING TO MEASURE,  
THEN DON'T BOTHER**

You've heard it before: "What gets measured, gets done." It's still true. An effective measurement system that scans both the lagging (outcome) measures and leading indicators to allow mid-course corrections can and should become the framework for managing change. Keeping track of what is being done in the name of strategy deployment (ensuring everyone is pulling the rope in the same direction) only can be accomplished with an effective measurement system that is tied to your strategy. Since you can't make every decision yourself, your measurement system becomes one of your most critical tools for communicating what is important and should be considered at every decision point.

The best measurement systems we have seen, in terms of organizational impact and simplicity, are built upon a Hoshin cascade model. After clarifying the desired destination, the leadership team creates a "dashboard" of the "critical few" key indicators. This dashboard includes lagging indicators, often financial or customer satisfaction data, that will allow the team to evaluate the results they have achieved. It also includes leading indicators, often process quality and operations oriented, to monitor the progress of change and make course corrections as necessary. Many management teams have a slew of financial measures they pay attention to and, while the financials are obviously important, they also are retrospective. They only can tell you where you have been, not necessarily where you are going.

After the leadership team has developed its "dashboard," it is presented to the next level of the organization with the message: "This is what we are watching. Design a dashboard that is appropriate for your work and that is aligned with, and sup-

ports, our dashboard." This process continues until each level and department in the organization has designed its own dashboard. All dashboards are linked and aligned, both vertically and horizontally, and support the organization's strategy — creating what a colleague of ours refers to as the "Golden Thread" that ties the organization together around its strategy. So, if "what gets measured, gets done," then what is getting done is aligned with what you are trying to achieve.

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**AND FINALLY, STOP TALKING ABOUT CHANGE**

Getting your managers and employees to align their behavior with your vision for the future usually means they must, at least to some extent, change the way they work and think. And since we all know that people resist change, therein lies the problem, right?

Perhaps not. We often open our strategy implementation workshops with the question, "How many of you have taken a vacation in the past year or plan to take one in the next?" The affirmative response usually is close to unanimous. We then ask "why?" and the answers almost always are oriented around "I need a break" or "I need a change."

The point here is that it is not really "change" that people resist. In fact, they frequently make specific decisions in their lives to create and embrace change. What people really resist is the loss of the control over their lives that they fought so long and hard to create. When we say "change," they think: "I used to have this job figured out; if it changes, will I know what to do? Do I have the skills I need to be successful? What if I fail?"



At a personal level, this sense of a loss of control can get translated into a profound and personal uncertainty about the future. This uncertainty, in turn, causes employees to freeze their personal lives. Are we secure enough to have a baby, buy a car, move to a new house, send a child to college? While you can ask your employees to “hang on for a while longer while we get this figured out,” for those with options (usually your most valuable employees), there is a finite limit to how long they will remain in personal limbo. Often, when our customers ask us to explore the causes of high levels of employee turnover, we find that employees have suspended their personal lives as long as they are willing, and they change jobs to break up the personal logjams.

There is some good news in this message. If we tell you that people resist change, and your vision requires change, it would seem there is not much you can do but gut it out. However, if it is not truly a resistance to change, but a fear of a personal loss of control, it is not a big step to figure out how, as a leader, you can help your people to begin to retool and regain control.

The starting point for helping your managers and employees begin to regain control of their work lives is, of course, an effective, two-way dialogue that presents the imperative for change and helps everyone envision the future and develop a picture of a role for themselves within it. Concepts

such as “readiness for change” are meaningless without articulating the destination. While I *am* ready to win the lottery, a very big change, I am not quite so ready to reengineer myself out of a job. Regaining a personal sense of control is, in large part, a process of regaining personal competence. With competence comes confidence, and with confidence comes commitment. If we, as leaders, can stop thinking about managing change and focus on helping our employees reestablish control over their work lives, the challenge becomes less formidable.

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