

Moving Mountains

Major change is no cakewalk.



by Howard M. Guttman

ONE CANNOT MANAGE change, Peter Drucker wrote. "One can only be ahead of it. In a period of upheavals, change is the norm. But unless it's seen as the task of the organization to lead change, the organization won't survive."

Since at least the 1980s, many senior executives have tried to get ahead of the change curve and transform their organizations to meet a complex and demanding future. The results have not been encouraging. Upward of 70 percent of change efforts fail to achieve goals.

To understand why the approach to change taken by *hierarchical organizations* doesn't succeed, consider the *polar-opposite approach* to change in High Performing Organizations (HPOs).

1. The vision is a high-performance, horizontal one. Rather than trying to bolt change initiatives onto slow, risk-averse hierarchical structure, with its top-down decision making, silos, and limited accountability, HPOs eliminate silos, distribute decision making, and create a sense of *WE accountability* and *collective ownership* at all levels. Leaders in HPOs transform the *senior team* into *like-minded, high-performing leader-players*.

2. The goal is squarely on business results. Change *per se* is not a key objective of HPOs. The fuel for the effort is a significant business challenge that must be met. What matters is accelerating performance to achieve better results.

3. The focus is on tight targeting. HP leaders shy away from big-bang initiatives aimed at transforming the entire organization relatively fast. They set their sights on the *performance and interaction of teams* and their members. Since teams are the basic work unit of the modern enterprise, the transformation process must *start with them*. Transform teams, starting with senior management, and *business results follow*.

4. The emphasis is on building momentum. The HP approach to change begins with the senior team. Once they are aligned, transformation becomes apparent in the behavior of team mem-

bers—in how they view themselves and engage one another. As you align teams—tier to tier and team to team—you create *how do we get into the club* momentum. The *entire organization* becomes a HPO entity.

To assess *how much change is required* to move toward the HPO model, examine three areas. How close are you to achieving these characteristics?

Area 1: Leadership

- The old leader/follower paradigm is replaced by the idea *everyone is a leader*.
- Leadership behaviors—directing, coaching, collaborating, delegating—are *adjusted* to meet *team members' needs*.
- Leaders have put aside the story that they alone get paid to make decisions.
- Leaders insist that team members hold them accountable for results.

Area 2: Teams

- Teams are guided by *measurable goals*.
- Team goals/priorities are aligned with the business strategy.
- Roles and responsibilities are clear.
- Wins for the team and organization supersede personal or functional wins.
- There is an agreed-upon process for *making decisions* and *resolving conflict*.
- Team members hold one another—and the leader—*accountable for results*.

Area 3: Organizational Effectiveness

- Structure, systems, and processes—especially those relating to *information flow*—support *interdependent decision making*.
- Rewards go beyond *individual achievement* to reflect *team accomplishment*.
- There is a meritocratic, results-based culture that values *transparency, collaboration, discussion, debate*.
- There is an omnipresent urgency to resolve issues fast and effectively.
- The *learning environment* values skill acquisition, risk taking, and innovation.

Major change is no cake walk. It flies in the face of fear, resistance, comfort zones, and the entrenched conservatism of hierarchies. The magnitude of the task depends on your assessment of the three critical areas. HPO leaders know that *the only way to move organizational mountains is to create a compelling horizontal vision, tying change squarely to business results, targeting and pacing it, and building momentum so that change sticks*. It's the best way to lead change and survive going forward. LE



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ACTION: Assess yourself in these three areas.