

# **SQUANDERED OPPORTUNITIES:**

**How Leaders Can  
Eliminate Threats to Change**

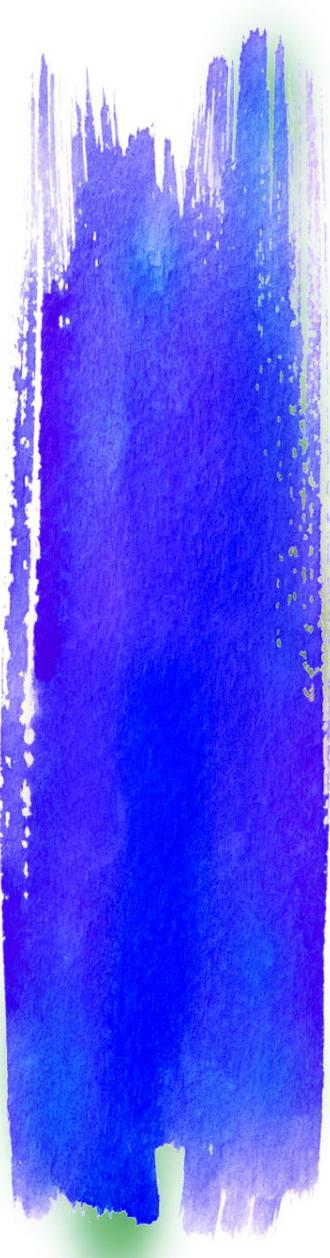
Senior leaders are critical to the success of major organizational changes, because there are things that only they can do. When leaders drop that ball, major projects suffer. Failures can be costly to the organization and to the reputation of those leading the changes.

In *Squandered Opportunities* I show you the results of a recent survey that identifies four critical actions senior leaders must take to have their changes succeed.

– Rick Maurer

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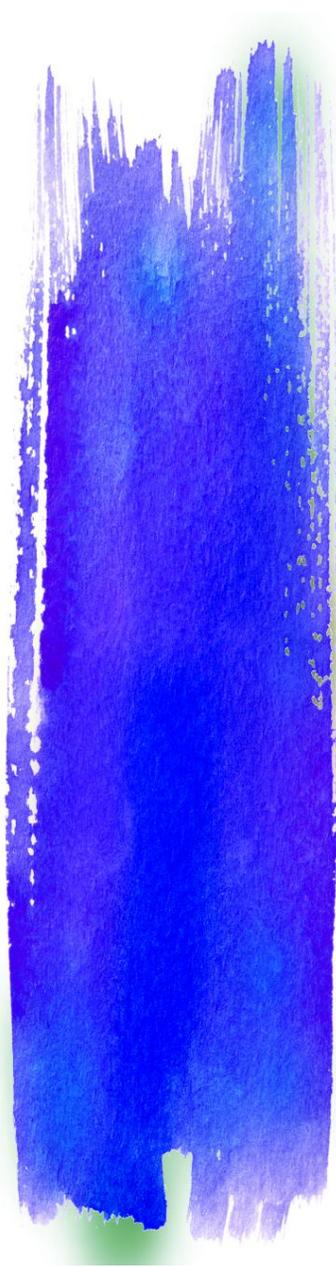


# The Importance of the Senior Leader's Role in Successful Change

With all the books, consultants, and decades of experience leading major organizational changes, I keep expecting the success rate of these major projects to rise. But, the failure rate still remains high. Back in 1995, when I first started writing about change in organizations, the failure rate was about 70 percent. In 2008, IBM conducted a major international study of C-level executives and found that only about 40 percent of those changes succeeded. Last year, a Towers Watson study found a long-term success rate of 25 percent.

There are many good approaches to leading change, and you've probably tried at least a couple of them. But, often there is something missing from those approaches – and that's you. There are four things that only you – the senior leader – can deliver. You can delegate and assign a lot of things, but you can't hand off those four critical activities.

Although I believe that senior leaders are in a unique position to increase the odds in favor of successful change, I wanted to test my assumptions. I conducted a survey that confirmed my belief that senior leaders do have a unique and critically important role in leading change effectively. This paper describes what I learned.



# The Four Critical Things That Set These Leaders Apart

This survey focused on the senior leader's role in change. (Of course, many others must do their part to make large projects a success.) This study looked at changes such as merger integration, reorganizations, quality and productivity improvements like Lean and Six Sigma, new ERP systems (enterprise resource planning), and various large Human Resources projects that were considered successful by the individuals initiating them and their organizations. Success also often meant that the projects met their goals within a reasonable amount of time and stayed close to the projected budget.

Here are those four critical actions used by leaders of successful changes.

1. Offering Strong Support from Start to Finish
2. Demonstrating Trust in the People Who Need to Carry Out the Change
3. Communicating the Urgency for Change
4. Keeping Their Bosses in the Loop

In those four critical areas, leaders of successful changes scored higher than those who led failed change.

This actually may be good news for those who led failed changes. Most of them seemed to be doing some things right. Perhaps they simply need to tweak what they are already doing, or increase their attention in some of these areas.

In my experience, I found that when a failed change is followed by another failed change, people get worried about the next big project. Failure breeds cynicism. After a series of failed changes, it's hard to get people to take you seriously.



## Successful Change versus Failed Change: How the Survey Respondents Saw It

Before you read about the four actions that senior leaders must perform, I encourage you to skim the comments from people who answered the questions in the survey. (People either chose a change that was very successful or one that failed badly.) Here's what some people had to say in response to the first question, Why did the change succeed or fail?) I found the difference in tone between what people said about successful versus failed changes quite interesting.

**In their own words, here's what they said about the leaders of successful change:**

“Everyone is now both ready for full participation and enthusiastic about what they and their staffs can get out of. It's no longer seen as something that IT is forcing on anyone.”

“The culture of the organization was significantly transformed from one that had quality failures to one that now consistently delivers top quality.”

“Met virtually all premerger goals.”

“On time, on budget, and has sustained itself over time.”

“A hospital – from ranking worst in the state and three years later ranking number one.”

“Improved result. Better efficiency. Happier employees.”

“... by and from all stakeholders”

“All deliverables were met and KPI (key performance indicators) accomplished. High level of satisfaction with all stakeholders. Over the course of time, the change had a lasting effect. Heavy and continued involvement of the two merging CEOs and the respective boards. The conversion project was completed on time, on budget with a large change in technology, lower staffing levels achieved through attrition.”

“After initial teething problems, the successful system gets together a global organization by making its budget and information available in real time, the decentralization would have failed had it not been for that.”

“We successfully merged six district agencies into one, rebuilt personnel classifications budgets, and after 17 years, the agency is still working.”

“The adoption rate of the new system was about 70 percent six months after the implementation.”

“The sales organization moved from order takers to real business analysts working with their customers.”

“Success in creating a ‘we can do it’ attitude. Ideas from employees were operated [upon] because the senior leader [had] very clear, precise expectations and held less senior leaders accountable for implementation throughout the entire change process.”

“The organization achieved in three years what others do [in] seven years or not at all.”

“We met the deliverables to improve productivity by millions of dollars in the next year.”

**And here’s what they said about the changes that failed:**

“Extra work with minimal value for employees.”

“Ill-conceived. Poor expectations.”

“Benefits not realized, staff demoralized.”

“Six years into a three-year project and still not [met goals].”

“They are always planning. Even when the planning phase is completed, they will reopen it and plan again, in response to employees’ negative feedback. IT implementation, as well is going in parallel, based on some specification requirement, that were written by focus groups, who are not necessarily knowledgeable or experienced on software development. But the focus group in turn, works with contractor and learns all the buzz words, to the extent that they make others believe that they are experts in IT.”

“Some very high level information was communicated through the president before the changes were implemented. But this leader did not allow communication to stakeholders about the change.”

“It was typically more a case of trying to convince stakeholders by selling the change, i.e. cutting deals where stakeholders got some of their ‘cannot do withouts’ fulfilled in return for accepting the implementation of the new ERP system.”

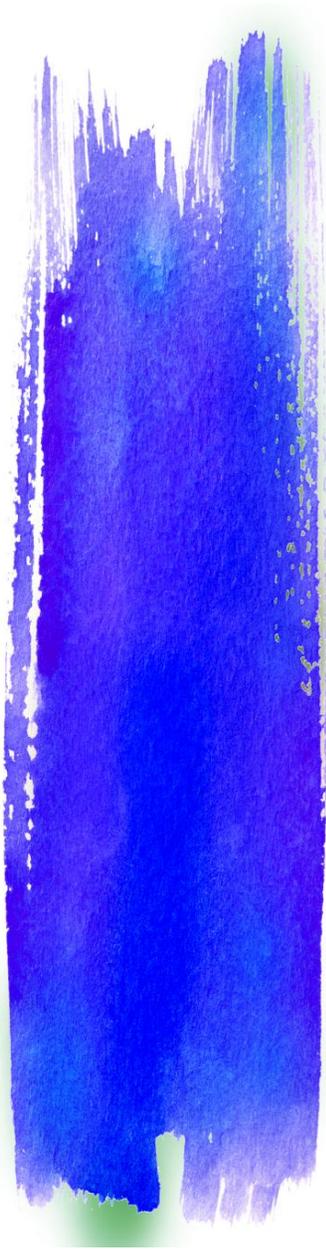
“In retrospect there was not as much support from the ED as it appeared.”

“Somebody high in the echelon decided to go with the ERP system. And it was very expensive, in terms of user learning curve, and cost for ‘tech support.’ So the higher ups decided to not pay for the tech support, and just keep pushing forward.”

“A great deal of what I call ‘terrorism by friends of executives’ – VP's and directors running for cover when problems arose to not be near the problem.”

“The leaders often say they have made the case for the change...meanwhile, people are still asking, ‘Why are we doing this?’ ”

“The ‘higher ups’ in the administration want it. Way too abstract, no set goals or strategies.”



## What Senior Leaders Can Do to Make Change Succeed

In successful change projects, senior leaders took four specific actions that their counterparts in failed projects did not. (I identified seven actions that I thought were critically important. Survey responses suggested that four of those actions were very important. You'll find the other three actions in the section titled *Additional Actions That Might Help*. In each instance, I asked people to rate the most senior leader on a one to seven scale.)



## **The Leader Offered Strong Support from Start to Finish**

“Our CEO has taken many opportunities to personally get Involved – from speeches to blogs to working with our senior team.”

In 87 percent of successful changes, senior leaders showed their support from beginning to end.

People could see that the leader would do whatever it took to make the project a success. In some instances, the leader got deeply involved in planning and implementation meetings; others delegated wisely while still letting people know that they were fully committed to the project.

Here are some critical actions that show support:

- ✓ Continually demonstrate that you are actively engaged and interested in making this project a success.
- ✓ Provide resources to the people you delegate and assign tasks to (e.g. time, money, attention, people).

- ✓ Be “the face of change.” People need to know that you are the leader.
- ✓ Be open and approachable so people feel free to express their ideas and concerns.

In the words of some who took the survey, here are a few things to avoid:

- “Basically they said this is what I want.”
- “It was a case of flick it. In other words, the senior leader flicked the issues off to the folks who needed to implement and ultimately use the new system.”
- “Demonstrated very strong support initially, but focus evaporated.”
- “They were actively disengaged.”

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### **The Leader Demonstrated Trust in the Work and Opinions of the People Who Needed to Make The Change a Success**

“The program VP entrusted us [his staff] to follow through, and we all knew that if needed we could come to him to break down barriers. Someone from central HR called him to complain that I was getting involved with employees having problems with their benefits. The VP told him, ‘Good, she is doing her job because you are not.’ We knew he had our backs.”

86 percent of the leaders of successful change demonstrated trust. People commented that they felt their opinions mattered and that the leaders were influenced by what the managers, employees, and other stakeholders told them.

How to demonstrate trust in the people implementing the change:

- ✓ Deeply engage people in planning – and listen to them with a *willingness* to take their advice.
- ✓ Delegate – and then stay engaged, not to micro-manage but to provide clarification, resources, and support.
- ✓ Be accessible so people can talk with you.

And a few things to avoid:

- “SMEs' [subject matter expert] recommendations were always questioned. Leaders developed parts of the system with limited outside input.”
- “. . . showed little patience with their expressed concerns for the change.”
- “The CEO was going to drive this change to be done on-time come hell or high water ==> the result was an ample amount of both.”
- “Leaders showed a high degree of trust that people would ‘figure it out.’ With no clear direction, people figured out what worked best for them, not for necessarily for the total organization.”



### **The Senior Leader Stressed the Importance and the Urgency of the Change**

“Frequent All Hands [meetings] to keep everyone informed – there were no surprises. It was all out on the table for both program personnel and our support folks.”

79 percent of the respondents indicated that the leader handled this task well. I believe that making sure people see (and feel) the urgency of a change initiative is critically important. About ten years ago I conducted a study that indicated that organizations that took care to make a compelling case for change not only reduced potential resistance, but the overall success rate of those projects was higher. Looks like things haven't changed.

### Activities to stress the importance and urgency of the project:

- ✓ Explain why the change is needed and make sure people understand its importance and urgency.
- ✓ Hold multiple meetings with various stakeholder groups to make the case that a change is needed. (The leaders mentioned in the survey didn't seem to rely on one grand PowerPoint-driven all-hands meeting.)
- ✓ Reinforce the message throughout the life of the project.

### Some things to avoid:

- “Everything was done in reaction mode.”
- “The importance of the change was articulated at the same time, in the same moment, when the change was rolled out.”
- “The leaders often say they have made the case for the change...meanwhile, people are still asking, ‘Why are we doing this?’ “

An extra note about stressing urgency and importance: 66 percent of the leaders of successful change focused on truly important projects. This may seem obvious, until you read the comments from people who endured failed changes. Here are a few examples:

- “Employees are now accustomed to hearing re-organization, and don't trust any plans.”
- “The issues that this leader has tried to fix or mitigate are of great importance to the organization; however, the resulting projects have not been seen as critically useful or effective.”
- “About half the time, people can see why the projects were critically important. The other half of the time, people doubted the importance.”

A few suggestions:

- ✓ Don't waste people's time, limited energy, and goodwill on projects that aren't critically important.
- ✓ When you do choose a critically important project make sure that you communicate *why* it is so important before you ever talk about *what* and *how* you are going to proceed.
- ✓ As one person wrote, “[At a] Minimum [projects are] critical and always focused. Never start another until the last was ‘finished’”



## **Leaders Kept Their Own Bosses (and Other Key Stakeholders) in the Loop**

“Very active engagement of the CEO, Board, and political leaders. Active consultation, communications.”

88 percent of the leaders of successful new initiatives kept the people they reported to informed. Sometimes it was with regular check-ins, and at other times they found ways to engage them more actively.

Some actions to consider:

- ✓ Cast a wide net to make sure you consider all the people who must support this project.
- ✓ Talk to important stakeholders early and often. Keep them in the loop.
- ✓ Don't hide bad news or gloss over things that are hard to talk about.

And a few things to avoid:

- “Reported good news only and suppressed issues.”
- “Board well informed, vice presidents not engaged enough.”
- “Not even discussed.”



## Three Additional Actions That Might Help

I based the survey on assumptions I had about the importance of the senior leader's actions. The preceding four actions confirmed my thinking. But, there were three actions where the results were mixed.

### ***Using a Single Approach for Leading and Managing Change***

Just over 40 percent of successful changes adhered to a single approach. (The most popular approach was John Kotter's eight steps.) Some created their own approach, often by pulling pieces from various change management methods. Others simply seemed to adhere to a set of common values to guide their actions. But, many successful changes applied no single way of approaching change.

But, 69 percent of the leaders of failed change used no approach at all. An interesting observation from one person was, "Models such as these were not valued."

### ***Leader Assessed the Readiness for Change.***

In *Managing at the Speed of Change*, Daryl Conner posed a question: How resilient are people? I was curious whether leaders took resilience into account when they were thinking about a hairy new project, especially these days when people seem to very stressed and dog-tired.

But only slightly more than half of the leaders of successful change assessed people's readiness to take on something new. Given how high leaders of successful change scored on other items, my guess is that strong scores in stressing urgency for change, offering strong support, and trusting people might have made it easier for them to engage others, even if they weren't feeling particularly resilient. When people can feel a sense of urgency and believe that the change will be led fairly and well, they may be willing to dig deep and find fuel in their reserve tanks. But, that's just a guess on my part.

### ***The Leaders Learned from the Change***

58 percent of the respondents said that the leaders of successful change learned from it. 34 percent responded "somewhat" and just 8 percent said that the leaders did not learn from this change. I believe that failing to evaluate a large change is a missed opportunity. A candid assessment allows you to learn from the past so you repeat what works and discard what didn't.



## Looking for Loopholes

You might be saying to yourself, “But, I’ll bet leaders of some of those successful changes didn’t do everything right. And, probably some leaders did a lot of things well, but the change still failed.” Yep, those things do happen.

In the survey data, those mismatches in outcomes and scores were minimal. In some instances, the comments section told much more about what happened than the number score. For instance, I often found one or two items that were extremely low in a field of otherwise high scores, and those factors seemed to contribute to the failure of the project.

The same was true for a few of the successful changes where the leader scored low. In one instance, people knew that a change was being mandated from “corporate” and their own leader had no choice but to take on the project. So, people seemed to get on board to make it a success.

Finally, a few of the responses were plain confusing. A couple of failures with high scores, and no comments, just left me scratching my head.

My suggestion is that you see for yourself what people need from you on changes that you lead. I explain how to do that In the **Next Steps** section that follows.



## Next Steps

If you were doing an informal self-assessment as you read through this paper, don't take the results too seriously. Humans have a strong tendency to overrate their performance in many areas, from physical prowess to communication to leadership. There is even a term for it: positive illusions.

I urge you to get the opinions of others. But, since you are a senior leader, those opinions might be hard to come by. People are smart and they know that it can be dangerous to give honest feedback to the people who control their careers.

One way to get around that problem (which occurs in just about every organization where I've ever worked) is to conduct a short survey.

Focus on one big project that you believe represents how you typically lead change. Then conduct a simple – and anonymous – survey. I'd recommend asking five questions: one question per item mentioned in this survey, and then a "what else would you like to add?" question.

For example:

1. Was I a strong supporter from start to finish?
2. Did I demonstrate trust in the people who needed to carry out the change?
3. Did I communicate the urgency for change?
4. Did I keep my own bosses in the loop?
5. What else would you add?

Use a 1 to 7 response scale if you like, but be sure to leave room for comments – that’s where you’ll learn a lot. Sometimes, those comments offer the most valuable information.

Or, you might consider “Coffee with Joe (or Jo).” Joe is the type of person who will tell it like it is, no matter what. These people will tell you stuff that others would be afraid to say. The Joe’s of the world don’t understand the phrase “career-limiting move,” so they’ll call it like they see it. Every organization has a Jo or two running around. Buy them a cup of coffee, buckle your seatbelt, and listen. Don’t explain. Don’t defend. Just listen.

## Some Resources That Can Help



### ***Our Website***

I plan to post a number of resources (newsletter tips, short videos, articles, assessments) this year focused on the senior leader's role in leading change effectively.

[www.rickmaurer.com](http://www.rickmaurer.com)



### ***The Magic List (a free eBook)***

This short e-book describes “the list.” These are the things people say in carpools or when you aren’t in the room. Knowing what’s on “the list” is vital to being able to lead change effectively. I never start a project with a client without knowing what’s on the list.

<http://www.rickmaurer.com/magic-list/>



### ***Making a Compelling Case for Change Webinar (a free virtual class)***

This prerecorded webinar describes the process I use to show leaders how to make a case that a change is urgent and important.

<http://www.rickmaurer.com/making-a-compelling-case-for-change-webinar-2/>



### ***Pass Along this eBook***

Do you know other leaders who might find *Squandered Opportunities: How Leaders Can Eliminate Threats to Change* useful? If so, please feel free to pass along this link:

<http://www.rickmaurer.com/leadsurvey/> (The eBook is free.)

## Staying in Touch



### Tools for a Change Newsletter

Please sign up for my newsletter and I'll make sure that you hear about new tools as they are posted. (And, you can always unsubscribe with the click of a button.)

Go to [www.rickmaurer.com](http://www.rickmaurer.com) and see sign-up box on the right side of that page.



### LinkedIn

And if you're on LinkedIn, please join me there.

<http://www.linkedin.com/pub/rick-maurer/0/aa/b02>



### Facebook

On Facebook? Please "like"

[www.facebook.com/rickmaureronchange](http://www.facebook.com/rickmaureronchange) This is my professional page, so no pictures of kittens or cute relatives. Please click "like" so you can see the latest updates and conversations.

## About Rick Maurer



I work with senior leaders on ways to build support for change. Also, I give keynote speeches and short seminars on avoiding resistance and building support for change. I call my approach, Change without Migraines™. It is based on my book, *Beyond the Wall of Resistance* (Bard Press 1996, revised 2010). Clients include aerospace, healthcare, chemicals, government, high-tech, and others.

If you need help applying any of the actions I discuss in this paper, or help figuring out how people view your leadership during change, I probably can help.

Some leaders put me on retainer, others bring me in to assist on a particular project, and others just want to have a couple of conversations about leading change.

A handwritten signature in black ink that reads "Rick Maurer". The signature is written in a cursive, flowing style.

For more information visit [www.rickmaurer.com](http://www.rickmaurer.com). Or you can contact me at [rick@rickmaurer.com](mailto:rick@rickmaurer.com) or 703 525-7074.