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Russell E. Palmer

# CHANGE LEADERSHIP



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# Change Leadership

## *Transforming Organizations*

**Russell E. Palmer**

One of the principal tasks of leadership is to bring about change in an organization—especially one that has been weakened by neglect, flawed priorities, or failure to respond to a changing business environment.

Success in bringing about change begins with you, the leader. Be prepared for difficult times ahead since leading change is likely to be a hard slog. It is important to remember that failure and adversity are among the key ingredients of success. When people say success is a journey rather than a destination, the underlying idea is that success is merely the ability to withstand the bumps on the way until you achieve your goals. Too often, we view failures and adversity as the absence of success, whereas in reality they are just stations along the way that have to be passed through in order to reach your goals. That is why I believe tenacity and resilience are among the most important attributes of leaders, and never more so than when leading change.

## How Leaders Transform Organizations

The success in leading transformations over the long run depends on the leader's vision in developing a strategic plan. I believe that any leader who is serious about transforming an organization should consider the process I describe next. At least it's a starting point for you to move toward your own method of transformation.

1. **Listen a lot.** Before you can change an organization, you must understand its reality in as much depth as possible. To do that, you first need to do a lot of listening. Even before I formally took over as the Dean at Wharton, I spent countless hours listening to faculty, staff, and students at the school—and that helped me to understand the totality of the school’s situation.
2. **Formulate your strategic plan.** After you have heard what others have to say, you then must digest the information you have collected and formulate a strategic plan. In formulating the plan, even if you have lots of ideas in your mind already, meet regularly with your core leadership team and go over the plan in a collegial fashion. Not only will that result in a better plan, but it also will ensure that the team is committed to it. After the plan is written down, it can be implemented and milestones toward its achievement can be tracked. This is not a step to be delegated to some internal or external planning expert. They can help you with the details later.
3. **Make sure you have the right team to implement the plan.** It’s very likely that you won’t find everyone willing to get on-board with change no matter what you do. So you have to bring in some new people. Every tired, complacent person must be replaced with innovative, flexible people who have some new ideas. This enables the leader to build a team that he or she can count on. The hard truth—and one that is very difficult for some high-profile CEOs to swallow—is that leaders are almost never as much in charge as others (and they themselves) think they are, and if they don’t have key lieutenants to execute the plan, forget it.

And remember, when you are transforming things, it won’t happen because you send out a memo with a proclamation, nor will it happen primarily because you have all these smart people at the executive office writing a manual on what to do and how to do it. Transformation is executed where the rubber meets the road—with the line managers. As a leader, you should spend more time with them, mentor them, and, if they get the job done, pay them very well—better than most in the Corporate office.

4. **Communicate constantly.** It is not enough to have a plan that is written down and sitting on people's bookshelves. If you want it to succeed, you must communicate about it constantly so that everyone at each level of the organization is clear about the plan.
5. **Align individual goals with the objectives of the strategic plan.** The strategic plan will remain a meaningless exercise to most people unless it touches them personally. As a leader, you need to ensure that compensation, promotions, and other incentives are tied to success in achieving milestones set out in the strategic plan. This implies that decision making needs to be pushed down the ranks. Making decisions at the top about issues that should be decided down the line can be dangerous. If the organization has to wait for the CEO to make every decision before it can move ahead, it is in real trouble. Any organization in which a micromanager has to be involved in everything will be limited to that manager's capacity of time and ability to make timely decisions. Of course, you have to be involved in the most important strategic decisions, but day-to-day, operating decisions must be made by a large number of people who feel empowered to make them. People at all levels in an organization must understand that they have not only the authority but also the responsibility to make decisions.

All this won't work unless you are able to mobilize everyone—especially key managers—around your strategy. And this depends on understanding one of the principles of leadership: *A leader mobilizes followers by finding out their goals, desires, wants, and needs, and makes them believe that the leader is truly trying to help them achieve these aspirations. At the same time, in order to achieve the goals of the organization, the leader must bridge the individual goals of the followers and the overall goals that are incorporated in, for example, a strategic plan.*

6. **Measure your performance against the plan.** How will you know whether you are on track? You need to constantly measure how the organization is performing against the met-

rics you have defined. It often helps if an external group is involved with such tracking so that you have an objective view and not a rosy picture that insiders in a specific area want to believe in and portray to make themselves look successful.

7. **Modify your plan as you go along.** Even the best-laid strategic plans cannot predict how things will work in the future. New opportunities may come your way, and some that seemed promising in concept may bomb when you try to implement them. When that happens, adhering blindly to a blueprint won't help. Your plan must be flexible and dynamic enough to let you make tactical changes even as you continue to pursue your strategy.
8. **If you hit obstacles, don't hesitate to send a message to the organization.** Organizational inertia is a reality. There will probably be some unit leaders who will not buy into the plan or who will continuously make excuses as to why they aren't meeting their goals. They are stonewalling you, hoping the program will go away or, better yet, that you will go away. If that happens, don't shy away from confrontation—it is essential in the interests of the organization as a whole. Fire those unit leaders—you probably didn't think they were that good anyway. They led in a negative fashion, saying they were protecting their division from crazy ideas and problems from the executive office and top leadership. At the same time, promote those people in other divisions who are doing a great job. Let everyone know how serious you are about the plan.
9. **Celebrate the achievement of each milestone.** Publicly praise and reward people who help the strategic plan succeed. That is how you will be able to build momentum and keep up everyone's energy along the way.

## Potential Pitfalls in Leading Change

One of the most common mistakes that many egotistical leaders make is that they think they can do everything themselves. The hard truth—and one that is very difficult for high-profile CEOs to swallow—is that

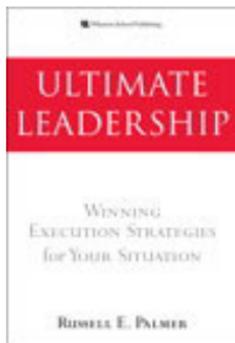
leaders are almost never as much in charge as others (and they themselves) think they are.

Newspapers often write about how the CEO of a certain company did this and the CEO of another company did that. Chances are the most the CEO ever did was to okay a decision—if he or she even did that. The CEOs seem to be responsible for whatever happens in the organization—good or bad. What about the other people in the organization? You can be sure of one thing: Lee Iacocca did not design the Mustang, and Steve Jobs personally did not sit down and think up the iPod. Still, it is usually the CEO who gets (and often takes) the credit for these successes.

## The “No-Nonsense” Short List of Transformational Change Leadership

- Make sure you listen a lot. Most of the problems and answers are already out there.
- Develop your strategic plan. Get your own arms around it and then “collegially” make it better—sign up people along the way.
- Be sure you have the right people. Assess your team, then get some new ones, promote some, get rid of some. Don’t wait.
- Communicate, communicate. You simply have to do this all the time to keep the plan in the forefront of the organization.
- Align the goals of your people with the plan. Tie elements of the strategic plan directly to compensation, promotion, and so on.
- Identify major measurement requirements and tools. You need to track how your plan is progressing.
- Measure, measure. Unless you measure, you will not know how near or far from your plan you are.

- Fine-tune your plan as you go. Don't get stuck on a plan that's going off track. Be prepared to make mid-course corrections.
- If necessary, send a message to the organization. They may not have fully understood your vision.
- Hold some celebrations along the way. Nothing will galvanize your people like recognizing their contributions to a plan that's working.
- Don't just praise, reward. Tie compensation to performance. Those who make the plan a success should be paid well—often better than those in the executive suite.



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**If you liked this Element, you might like the book by Russell E. Palmer, *Ultimate Leadership: Winning Execution Strategies for Your Situation***

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