

## BECOMING A MASTER CHANGE AGENT

## Chapter Overview

- The success of a change agent involves knowing your strengths and weaknesses and how these interplay among the team, the situation, and a vision.
- Successful change agents have a set of skills and personal characteristics: interpersonal, communication, and political skills; emotional resilience and tolerance for ambiguity and ethical conflicts; persistence, pragmatism, and dissatisfaction with the status quo; and openness to information, flexibility, and adaptability. They act in a manner likely to build trust. Change agents develop their skills with experiences in changing situations.
- This chapter describes four change agent types: Emotional Champion, Developmental Strategist, Intuitive Adapter, and Continuous Improver. Each has a different preference for his or her method of persuasion (vision versus analytical) and orientation to change (strategic versus incremental).
- This chapter considers different change roles: an internal change agent, an external consultant, and a member of a change team.

This chapter examines what makes a change agent. It looks at change agents' individual characteristics and how these interact with a situation and vision to determine change agent effectiveness. We contrast change managers from leaders and examine how change leaders develop. Four types of change leaders are identified: Emotional Champion, Developmental Strategist (particularly important for a transformational change), Intuitive Adapter, and Continuous Improver. We examine the skills of internal change agents, the roles of the external change agents, and the usefulness of change teams. The chapter ends with rules of thumb for change agents from the wisdom of organizational development and change agent experts. Figure 8.1 highlights this chapter's place in the Change Path.

The role of change agent is a double-edged sword. While it can prove exciting, educational, enriching, and career enhancing, it can also be hazardous to your career, frustrating, and demoralizing when risks escalate and failure looms. In general, people who become change agents will improve their understanding of organizations, develop special skills, and increase their networks of contacts

and visibility in the organization.<sup>1</sup> Those who choose not to respond to the challenge of leading change, on the other hand, run the risk of becoming less central and relevant to the operation of their organizations.

When changes fail, there is the sense that the change agent's career has ended. However, this is seldom the case. While failure experiences are painful, change agents are resilient. For example, when Jacques Nasser left his CEO position at Ford in 2001, many thought he was a spent force. However, about a year after leaving Ford, he took over as chairman of Polaroid after it was acquired by One Equity Partners in a bankruptcy auction. In 2½ years, Nasser turned it around and its resale resulted in a \$250 million gain for One Equity.<sup>2</sup> In August 2009, Nasser again hit the business press news when he was nominated chairman of BHP Billiton, the world's largest mining company; he took office in March, 2010.<sup>3</sup> Nasser served in that role until 2017. Although CEO Nasser instituted a number of controversial—some would even say unsuccessful—changes at Ford, he also acquired skills and personal attributes that have served him well since he left Ford in 2001.

Many individuals find it difficult to identify where and how they fit into the change process. They believe that they cannot ignite change with their low- or mid-level roles and titles, and minimal experiences in organizations. Years of autocratic or risk-averse bosses and top-down organizational cultures make it hard to believe that this time the organization wants change and innovation. Critics of present-day educational systems have suggested that schools encourage dependent rather than change-agent thinking. If teachers and professors see the students' role as absorbing and applying within prescribed boundaries rather than raising troubling questions, independent and innovative thinking will not be advanced.

In the turbulent years that have defined the first couple of decades of the 21st century, however, individuals find themselves living in organizations that challenge them to take up one of the roles of change agency: initiator, implementer, facilitator, and/or task force team member. Leaders in organizations are asking people to step forward and make a difference. While the specific role will vary over time and context, moving to a more active role is critical. Simply providing information or offering armchair solutions seldom produces meaningful change. To disrupt inertia and drift, some individuals must move from an observer status to active change agent. Those who want to advance their careers and add value to their organizations will challenge themselves to take on change leadership roles.

For many, their implicit model of change assumes that they must have the involvement and support of the CEO or some other senior sponsor before they can create meaningful change. There is no question that if a change initiative has the commitment and budget of a senior change champion, the job is immeasurably easier. However, for many individuals acting from subordinate organizational roles (e.g., technical professionals, first-line and middle managers, frontline staff), the changes they want to promote require them to question existing systems and processes, with little top-level, visible support when they begin.

In *Leading the Revolution*, Hamel argues that every “company needs a band of insurrectionists” who challenge and break the rules and take risks.<sup>4</sup> One teacher provides an example.

## REFLECTIONS ON A TEACHER

The teacher that influenced me the most was concerned with our learning and not with the power and influence of the administration. For example, when *Catcher in the Rye* was deemed unfit for our youthful eyes, he informed the class that this book was classed as unsuitable. This teacher reported that the book by J. D. Salinger should be avoided and while it was recognizable because of its red cover with yellow print and found in most bookstores,

libraries, and magazine stores, we should not seek it out. Later, the same teacher was instructed to black out certain risqué phrases from one of the assigned books for class. Of course, he marched into the class, described that the phrases on p. 138, lines 7 and 8, that were to be blacked out and that he was enlisting the class's help to do the work for him.

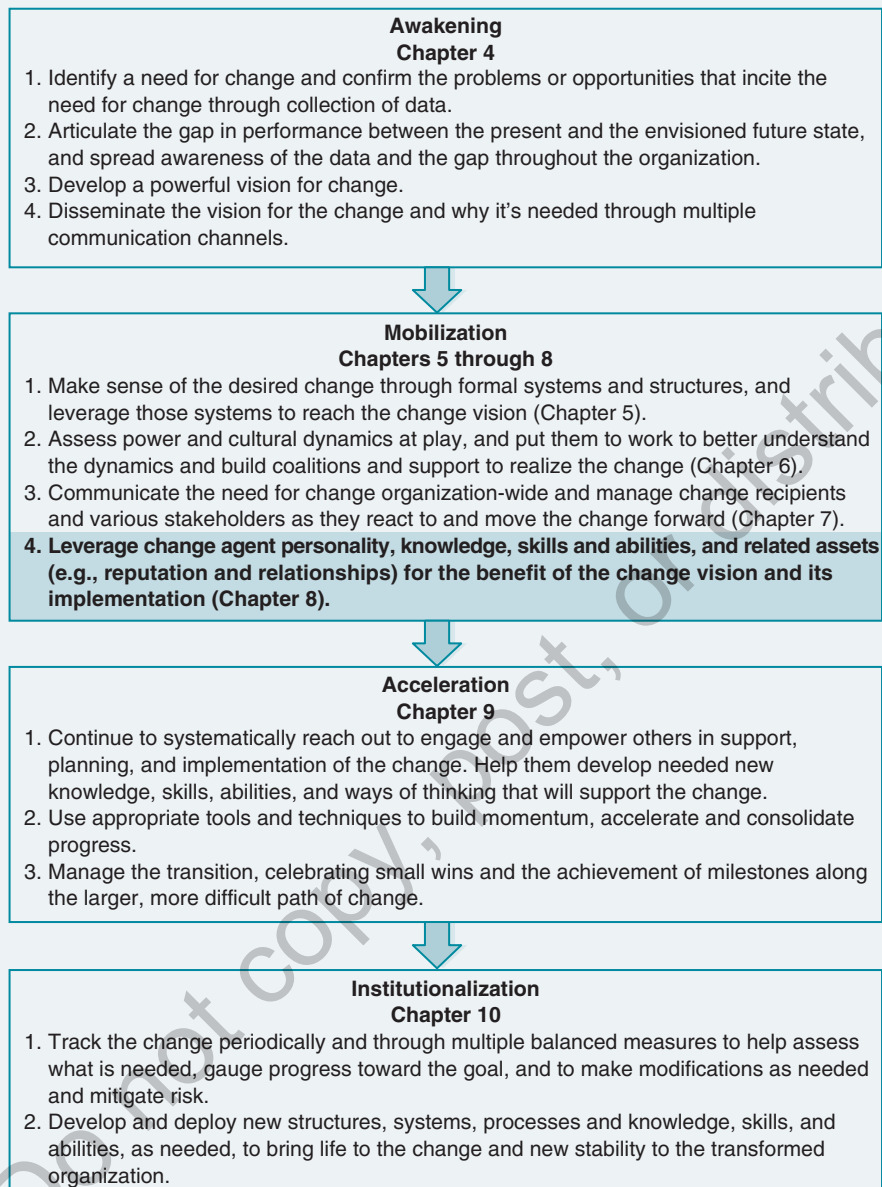
Anonymous caller,  
CBC Radio, January 2004.

Testing orthodoxies will become critical in the drive to keep pace with environmental demands.<sup>5</sup> The individuals wanting to remove student exposure to the perceived immorality in the books likely thought they were change agents as well. However, by doing so, they were limiting student access to information and the opportunity to think about common realities. For the teacher in the example, this was viewed as violating the prime purposes of a school system—educating the students and instilling a desire for learning. It drove him to action.

With the ever-increasing need for innovation and change in organizations, there is the recognition that change management is an essential part of every good manager's skill set.<sup>6</sup> Change agency has shifted from notions of "lone ranger," top-down heroic leadership to ones involving leaders who enable change teams and empower workers to envision change and make it happen.<sup>7</sup> As Jick points out, "implementing their own changes as well as others."<sup>8</sup>

While we might think that change is led from the top, Jick and others dispute this. "Most well-known change initiatives (*that are*) perceived as being "top-down" or led by a senior executive or the CEO, probably started at the bottom or the middle, years earlier."<sup>9</sup> As Rosabeth Moss Kanter states, real change is for the long haul. It "requires people to adjust their behavior and that behavior is often beyond the direct control of top management."<sup>10</sup> Bold strokes taken by top management likely do not build the long-term capabilities of the organization unless they are buttressed by a concerted commitment to an underlying vision. Bold strokes can reduce, reorganize, and merge organizations, but each of these takes a toll on the organization. Unfortunately, the long-term benefits can prove to be illusory if the initiative fails to sustainably embrace the hearts as well as the heads of organizational members in ways that generate internal and external environmental congruence.

**Figure 8.1 The Change Path Model**



## FACTORS THAT INFLUENCE CHANGE AGENT SUCCESS

### The Interplay of Personal Attributes, Situation, and Vision

Images of organizational change agents often revolve around personalities that appear to be bigger than life: Jack Welch, former CEO of GE; Bill Gates, former CEO of Microsoft; and Meg Whitman, former CEO of eBay and HP. If such

grand standards are the benchmarks employed to assess personal qualities and potential as a change agent, most people will inevitably fall far short of the mark.

However, history suggests that leading change is about more than just the person. In the 1930s, Winston Churchill was a politician in decline. When World War II began, suddenly his skills and personality matched what was needed, and the British public believed he was uniquely qualified to be prime minister. Churchill did not change who he was, but the situation changed dramatically and, as prime minister, Churchill projected a vision of victory and took actions that changed history and his reputation. This match of person and situation is further highlighted by the fact that Churchill experienced electoral defeat in the postwar environment despite his enormous popularity during the war.

In other words, it was the person *and* it was more than the person. **Change agent effectiveness** was a function of the situation, the vision the person had, and the actions he took. A robust model for change considers the interaction between personality, vision, and situation. Michael J. Fox exemplifies a person who became a change agent extraordinaire in the fight against Parkinson's disease.

## MICHAEL J. FOX BECOMES A CHANGE AGENT

Most people get Parkinson's disease late in life. Michael J. Fox, a television and movie star, contracted it when he was 29 years old. Before his disease, Fox was focused on his career, but he has since refocused his energies. By 2000, Fox was a major player in funding research into analyzing and curing Parkinson's. Fox created the Michael

J. Fox Foundation (MJFF), which has become an exceptionally effective organization in fundraising and in shaping the research agenda for Parkinson's disease.<sup>11</sup> In August 2018, *Variety* magazine named Fox as their "Philanthropist of the Year" for his commitment to mobilizing patients and research to bring an end to Parkinson's disease.

Fox's basic personality didn't change with the onset of Parkinson's. But suddenly he was faced with a situation that generated a sense of purpose and vision that both transcended his self-interest and captured the attention and emotions of others. This powerful vision was crucial to Fox's transformation from movie star to change agent. He deployed his energy, interpersonal skills, creativity, and decision-making abilities to pursue this vision. His contacts, profile, and reputation gave him access to an influential board of directors. In record time, he recruited a key executive director and created a foundation that became a funding force. Most important, he chose to act. He articulated values that resonated with key stakeholders and raised awareness and interest through his strategies and tactics. The ability to create alignment among stakeholders on values has been shown to be valuable in reducing resistance and advancing change.<sup>12</sup> His is far from an isolated incident. From Paul Newman's social entrepreneurship and philanthropy with salad dressing<sup>13</sup> to Andrea Ivory's initiative to bring early breast cancer detection to uninsured women in Florida,\* individuals from all walks of life are choosing not to accept the status quo and are making a difference.

\* CNN's Heroes Project seeks to inspire people to take action by annually recognizing the change initiatives of everyday people in their communities and celebrating the impact they are having. Their initiatives are highlighted on <http://www.cnn.com/SPECIALS/us/cnn-heroes>.

In the above cases, the interaction of the person, situation, and powerful vision transformed a person into a change agent. This can be summarized in the following equation:

$$\text{Being a Change Agent} = \text{Person} \times \text{Vision} \times \text{Situation}$$

Situations play a crucial part in this three-way interchange. Some situations invigorate and energize the change agent. Enthusiasm builds as coalitions form and the proposed change gains momentum and seems likely to succeed. Other situations suck energy out of the change agent and seem to lead to a never-ending series of meetings, obstacles, and issues that prevent a sense of progress. Borrowing from the language of chemical reactions, Dickout calls the former situations **exothermic** change situations. Here energy is liberated by actions.<sup>14</sup> Conversely, the latter situations he calls **endothermic**. Here the change program consumes energy and arouses opposition—which in turn requires more energy from the change agent.

Change agents need exothermic situations that “liberate the energy to drive the change.”<sup>15</sup> However, they will experience both exothermic and endothermic periods in a change process. Initial excitement and discovery are followed by snail-paced progress, setbacks, dead ends, and perhaps a small victory. The question is how do agents develop the staying power and the ability to manage their energy flows and reserves during this ultra-marathon? What type of team do they need and have to help replenish their energy and keep them going? Colleagues who serve as close confidantes can play an important role in sustaining energy. They can help to keep things in perspective, enabling the change leader to face challenges and pitfalls. While action taking is the defining visible characteristic of change, discussion and reflection play important and often undervalued roles in the development and maintenance of change leaders.<sup>16</sup> Reflection as a critical practice of change leaders is discussed later in this chapter.

## Change Leaders and Their Essential Characteristics

An examination of the literature on the personal characteristics of change leaders yields a daunting list of personal attributes ranging from emotional intelligence to general intelligence, determination, openness to experience, and so forth.<sup>17</sup> Textbook treatments of leadership provide lists of the traits and behaviors that prove difficult to reconcile. While most of the literature is inconclusive about attributes that matter and can be generalized, six stand out as particularly relevant for change leaders.

### 1. Commitment to Improvement

The essential characteristic of change leaders is that they are people who seek opportunities to take action in order to bring about improvement. They possess restlessness with the way things are currently done, inquisitive minds as to what alternatives are possible, and the desire to take informed risks to make things better. Katzenbach argues that change leaders are significantly different in their orientation from traditional managers.<sup>18</sup> For Katzenbach, the basic mindset of a “real change leader” is

someone who does it, fixes it, tries it, changes it, and does it again—a *trial-and-error approach* rather than an attempt to optimize and get it perfect the first time.

## 2. Communication and Interpersonal Skills

Doyle talks about potential change agents and argues that they need sophisticated levels of interpersonal and communication skills to be effective.<sup>19</sup> He describes change agents as requiring emotional resilience, tolerance for ethical conflicts and ambiguities, and they need to be politically savvy. Conflict goes with the territory when stakeholders believe the changes will negatively impact them, and researchers have noted the importance of conflict-facilitation skills in change agents, including skills related to constructive confrontation and the development of new agreements through dialogue and negotiation.<sup>20</sup> Barack Obama's soaring oratorical skills allowed him to speak directly to the American people and bypass much of the Washington establishment when he was pushing for changes to the American health system in 2009. This set the stage for the difficult discussions, negotiations, and tactical maneuvers that followed and resulted in new health care legislation in March 2010. By 2016–2018 the Affordable Care Act, or Obamacare, was back on the agenda for the U.S. Congress. Because of the diversity of perspectives about healthcare in the United States and because of the fragmentation of the U.S. healthcare system, it is likely that there will be continuing debates in Congress on this policy area.

Kramer maintains that political awareness about what needs to be done may lead, in certain situations, to abrasive, confronting, intimidating behavior (yes, Kramer said this before the national elections in the United States in 2016).<sup>21</sup> Such challenging behavior may be what is needed to “unfreeze” a complacent organization. Stories of Churchill's arrogant behavior, for example, which was appropriate in wartime, cost him the prime ministry in the postwar election.

The communication and interpersonal skills needed to navigate the political environment and awaken the organization to needed action receive a lot of attention. However, this more muscular image of the transformational communications skill of change leaders is but a subset of the range of approaches they may deploy. Not all change leaders have a gift for rhetoric, and many are not charismatic in the traditional sense of the term.\* In his book *From Good to Great*, Jim Collins<sup>22</sup> explores the skill sets of change leaders who successfully transformed their average organizations into great ones. He highlights the quiet, humble, grounded, and committed way in which many of these change leaders interacted with others on a day-to-day basis and the influence this had on the outcomes their organizations were able to achieve. Their positive energy was clearly visible, and frustration didn't give rise to the communication of cynicism that can taint the perspectives of others and derail a change.<sup>23</sup>

McCall and Lombardo identified a number of other characteristics that derail change leaders when they are communicated to others: being cold and aloof, lacking in critical skills, displaying insensitivity to others, being arrogant, being burned out, lacking trustworthiness, and being overly ambitious from a personal perspective.<sup>24</sup> When Malcolm Higgs looked at the question of bad leadership, he

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\*Charisma is defined as a trait found in persons whose personalities are characterized by a personal charm and magnetism/attractiveness along with innate and powerfully sophisticated abilities of interpersonal communication and persuasion (<http://en.wikipedia.org/wiki/Charisma>).



identified four recurring themes: abuse of power, inflicting damage on others, over-exercise of control to satisfy personal needs, and rule breaking to serve the individual's own purposes. He saw these actions as caused by narcissism in the leader—a view of oneself as superior, entitled, and central to all that happens.<sup>25</sup>

### 3. Determination

Change agents need a dogged determination to succeed in the face of significant odds and the resilience to respond to setbacks in a reasoned and appropriate manner. After all, in the middle of change, everything can look like a failure. Change agents need to be able to persist when it looks like things have gone wrong and success appears unlikely.

### 4. Eyes on the Prize and Flexibility

Change agents also need to focus on the practical aspect of “getting it done.” They must have a constant focus on the change vision, inspiring and keeping others aligned with the change goal. Change agents must keep their eyes on the prize to avoid getting bogged down in day-to-day stresses and abandoning the change vision. At the same time, they must be ready to take informed risks, modify their plans to pursue new options, or divert their energies to different avenues as the change landscape shifts—sometimes because of their actions, sometimes because of the actions of others, or sometimes because of shifts in the environment. Doggedness is balanced by flexibility and adaptability, and impatience is balanced by patience. Time for dialogue and reflection on the change process is needed to give perspective and make informed judgments.<sup>26</sup> Change agents must reflect this delicate balance of being driven by the change vision, but not so much that they are unwilling to make modifications to the process as the environment inevitably shifts along the way.

### 5. Experience and Networks

Given their desire to make things happen, it is not surprising to find that experience with change is an attribute common to many successful change agents. These individuals embrace change rather than avoiding it and seeing it as “the enemy.” They are constantly scanning the environment, picking up cues that allow them to develop a rich understanding of their organization's situation and the need for change. As the situation shifts, they are aware of those shifts and respond appropriately to them. They make this easier for themselves by ensuring that they are part of networks that will tell them what they need to hear—not what they *want* to hear. They build these networks over time through their trustworthiness, credibility, and interpersonal skills and through the value other members of these networks derive from them. Networks don't work for long if others don't feel they are getting value from them. To ensure that members of the networks and others continue to communicate with them, change leaders are well advised to remember to never be seen as shooting the messenger. If messengers believe the act of communicating will put them at risk, they will alter their behavior accordingly.<sup>27</sup>

### 6. Intelligence

Intelligence is needed to engage in analysis, to assess possible courses of action, and to create confidence in a proposed plan.<sup>28</sup> In general, one has more confidence



in a proposal developed by a bright individual than one brought forward by a dullard. However, traditionally defined intelligence is not enough. Interpersonal skills, empathy, self-regulation, a positive and yet realistic outlook, attention to detail, and the motivational drive to see things through are needed to frame proposals effectively and implement them. These factors make up what is called emotional intelligence and it is often highlighted in discussions of change agent characteristics.<sup>29</sup>

In his investigation of the characteristics of change leaders, Caldwell differentiates the attributes of **change leaders** from those he calls **change managers**.<sup>30</sup> Table 8.1 outlines his view of the differences. Caldwell argues that change leaders operate from a visionary, adaptable perspective while change managers are much more hands on and work with people. Of course, there is nothing that says a change agent cannot possess the attributes of both change leaders and change managers (as defined by Caldwell). In fact, they will need access to both, depending upon their role(s) and the change challenges they are addressing. Another way to think about the various attributes of change agents is to consider the sorts of behaviors they give rise to. The following three categories of change behaviors are a helpful way of grouping their actions:<sup>31</sup>

- *Framing behaviors*: behaviors oriented toward changing the sense of the situation, establishing starting points for change, designing the change journey, and communicating principles
- *Capacity-creating behaviors*: behaviors focused on creating the capacity for change by increasing individual and organizational capabilities and creating and communicating connections in the organization
- *Shaping behaviors*: actions that attempt to shape what people do by acting as a role model, holding others accountable, thinking about change, and focusing on individuals in the change process

**Table 8.1 Attributes of Change Leaders and Change Managers**

Attributes of Change Leaders	Attributes of Change Managers
<ul style="list-style-type: none"> <li>• Is a visionary</li> <li>• Is an entrepreneur</li> <li>• Has integrity and honesty</li> <li>• Learns from others</li> <li>• Is open to new ideas</li> <li>• Takes risks</li> <li>• Is adaptable and flexible</li> <li>• Nurtures creativity</li> <li>• Experiments</li> <li>• Uses power</li> </ul>	<ul style="list-style-type: none"> <li>• Empowers others</li> <li>• Builds teams</li> <li>• Learns from others</li> <li>• Is adaptable and flexible</li> <li>• Is open to new ideas</li> <li>• Manages resistance</li> <li>• Resolves conflict</li> <li>• Networks</li> <li>• Has in-depth knowledge of the business</li> <li>• Solves problems</li> </ul>

*Source*: Adapted from Caldwell, R. (2003). Change leaders and change managers: Different or complementary?" *Leadership & Organization Development Journal*, 24(5), 285–293.

Higgs and Rowland examined such behaviors and discovered that “framing change and building capacity are more successful than shaping behavior.”<sup>32</sup> They suggested that change leaders should shift from a leader-centric, directive approach to a more facilitating, enabling style in today’s organizations.

The attributes were ranked by experts. The most highly ranked are at the top of the list, with the others following in order. Note that Table 8.1 identifies attributes not specifically mentioned in the preceding pages.

Kouzes and Posner provide an important model of the behavioral characteristics of effective change leaders, based on answers from thousands of managers and executives to the fundamental question: When you were a leader at your best, what did you do? In the *Leadership Challenge*, the authors synthesize their extensive research and argue that leaders who are adept at getting extraordinary things done know how to do the following: (1) model the way; (2) inspire a shared sense of vision; (3) challenge the status quo; (4) enable others to act; and (5) encourage the heart of those involved with the change.<sup>33</sup> The authors do an excellent job setting out how to accomplish these things, and their book is recommended reading for those interested in pursuing these ideas further.\*

See **Toolkit Exercise 8.2** to rate yourself as a change leader.

## DEVELOPING INTO A CHANGE LEADER

### Intention, Education, Self-Discipline, and Experience

Many change leadership skills can be learned, which means that they can be taught.\*\* The acquisition of concepts and language establishes mental frameworks for want-to-be change leaders. Reading about best practices and landmines can alert novices to predictable success paths and mistakes. The Center for Creative Leadership<sup>34</sup> is one of a number of organizations that produce publications about relevant leadership challenges and practices. In a 2007 article, Corey Criswell and Andre Martin identified a number of trends that future leaders need to be aware of that are creating change to the way business is done. They include (a) more complex challenges, (b) a focus on innovation, (c) an increase in virtual communication and leadership, (d) the importance of authenticity, and (e) leading for long-term survival.<sup>35</sup> The awareness of these macro-level trends will help change agents better understand the environment and use and develop necessary skills to lead change internally.

Change leaders also need to understand and embrace the notion of experiential learning. It is rare that someone is a change agent only once. Change leadership capacities are a sought-out skill set. These skills are developed similarly to the way individuals strengthen their physical skills. Once you start toning a muscle set, it feels good and you strive to continue to maintain and develop that muscle. But performance typically is tied to our capacity to have our muscles act interdependently. When one set of muscles develops, you may find others that need strengthening to improve your overall capacity to perform. Similarly, within an organization,

\* As you reflect on the material in this section, you may find it useful to review the story in Chapter 7 of Monique Leroux’s change leadership at Desjardin.

\*\* Like many fields, formal study and education play their role in developing change leaders—thus this book!

change agents seek opportunities to continuously improve both themselves and their organizations. They may have great interpersonal skills, but they need expertise in crafting financial arguments, or vice versa. Over time, this process of development becomes part of one's professional identity. The journey never ends.

As part of this process, self-discovery, discipline, and reflection are critical to ongoing success and growth. Jeanie Daniel Duck argues that an organization will not change if the individuals within that organization do not develop themselves. As a change leader, if you intentionally model reflective behavior, you will encourage others to do the same. The key questions to ask, according to Duck, are these:

Questions for oneself:	Behavior to modify:
Which of your behaviors will you stop, start, or change?	Identify this behavior and replace it with something else.
What, specifically, are you willing to do?	Brainstorm different actions and how you might measure them.
How will others know?	Help yourself by engaging others to hold you accountable.
How might you sabotage yourself?	Identify ways in which you might hold yourself back.
What's the payoff in this for you?	Construct an encouraging reward and motivate yourself. <sup>36</sup>

Bennis describes four rules that he believes change leaders should accept to enhance their self-development:

1. You are your own best teacher.
2. You accept responsibility and blame no one.
3. You can learn anything you want to learn.
4. True understanding comes from reflection on your experience.<sup>37</sup>

Bennis's fundamental message is to take responsibility for your own learning and development as a change leader. This requires reflection. Of course, reflection implies something to reflect on—thus, the role of experience. It is through reflection that a change leader hones existing skills and abilities, becomes open to new ideas, and begins to think broadly, widening the lens through which he or she looks at the situation at hand. In a disciplined manner, a would-be change leader needs to establish personal change goals and write them down. This calls for intentional reflection and continuous learning, which are important for both the individual level, as described by Duck, as well as the organizational level, in developing the ability to change.

### What Does Reflection Mean?

Organizations are able to change more effectively when individuals and change leaders within the organization shift their mental maps and frameworks, and this requires openness and reflection. The skill of communication is essential here, as it is through conversation and open dialogue that change occurs. There is a need to think *with* others in a reflective way to see change happen. In order to do this,

an individual needs to understand what the group thinks and why. The group then needs to identify its shared assumptions, seek information, and develop a mutual understanding of the current reality. This involves open and honest communication in a space where no one is wrong and there is a commitment to finding that common ground—for the present situation and the vision for the future. Change leaders are in the position to create safe spaces for reflection where members of the organization have a voice that is listened to and valued.

Appreciative inquiry (AI), a concept introduced by Dr. David L. Cooperrider at Case Western Reserve University, is critical in these conversations of reflection. AI is the engagement of individuals in an organizational system in its renewal. If you can find the best in the organization and individuals—that is, appreciate it—Cooperrider argues that growth will occur and renewal will result. Through AI, people seek to find and understand the best in people, organizations, and the world by reflecting on past positive experiences and performance. In doing so, the positive energy and commitment to improve is embraced.<sup>38</sup> By framing positively, a different type of energy is found within the organization to move forward in the direction of change.

AI provides an interesting approach for change agents to consider when thinking about how best to approach change, because it recognizes the value of ongoing individual and collective reflection to the enactment of effective change. In order for reflection to add value, there can't be a “wrong” understanding. Everyone must strive to fully understand people's perceptions, assumptions, and visions through discussing and challenging one another's views. In a global society with relationships developing and evolving at all levels, organizations operate in an ever-changing context, making the development of shared understanding and mutual respect all the more important.

## DEVELOPMENTAL STAGES OF CHANGE LEADERS

Miller argues that there are **developmental stages of a change agent**. He believes that individuals progress through stages of beliefs about change, increasing in their complexity and sophistication.<sup>39</sup> (See Table 8.2 for an outline of his belief stages.) He believes that movement from Stage 1, Novice, to Stage 2, Junior, to Stage 3, Experienced, might be learned vicariously—by observing others or by studying change. However, movement to Stage 4, Expert, requires living with a change project and suffering the frustrations, surprises, and resistance that come with the territory.

There is evidence that these change agent skills and competencies can be acquired through the systematic use of developmental assignments.<sup>40</sup> See **Toolkit Exercise 8.3** to evaluate your development as a change agent.

## FOUR TYPES OF CHANGE LEADERS

Regardless of their skill sets, change agents' ability to sense and interpret significant environmental shifts is of particular importance to their capacity to respond. Part of such an ability comes from the deep study of a field or industry. As well, some might have the intuition to understand significant changes in the environment by their ability to detect and interpret underlying patterns.<sup>41</sup> Take, for example, Glegg Industries of Glegg Water Treatment Services.

**Table 8.2 Miller's Stages of Change Beliefs**

Stage	Description
Stage 1 Novice	<p>Beliefs: People will change once they understand the logic of the change. People can be told to change. As a result, clear communication is key.</p> <p>Underlying is the assumption that people are rational and will follow their self-interest once it is revealed to them. Alternately, power and sanctions will ensure compliance.</p>
Stage 2 Junior	<p>Beliefs: People change through powerful communication and symbolism. Change planning will include the use of symbols and group meetings.</p> <p>Underlying is the assumption that people will change if they are “sold” on the beliefs. Again, failing this, the organization can use power and/or sanctions.</p>
Stage 3 Experienced	<p>Beliefs: People may not be willing or able or ready to change. As a result, change leaders will enlist specialists to design a change plan and the leaders will work at change but resist modifying their own vision.</p> <p>Underlying is the assumption that the ideal state is where people will become committed to change. Otherwise, power and sanctions must be used.</p>
Stage 4 Expert	<p>Beliefs: People have a limited capacity to absorb change and may not be as willing, able, or ready to change as you wish. Thinking through how to change the people is central to the implementation of change.</p> <p>Underlying is the assumption that commitment for change must be built and that power or sanctions have major limitations in achieving change and building organizational capacity.</p>

*Source:* Adapted from Miller, D. (2002). Successful change leaders: What makes them? What do they do that is different? *Journal of Change Management*, 2(4), 383.

## GLEGG WATER SYSTEMS<sup>42</sup>

In 2000, GE bought Glegg Industries. Glegg Water Treatment Services had been an entrepreneurial organization that grew at a compound growth rate of 20% to 25% in the 1980s and 1990s. The executives had a clear and strong vision: “pure water for the world.” They used this vision to pull the organization in the direction they wanted. They were tough, realistic analyzers of data that provided a sophisticated understanding of the company’s market. Three times in their history, the leadership forecasted a decline in growth rates in the technology that the

organization was using —so they shifted into completely new but related areas. For example, the organization delivered water treatment systems for power industries. As that market matured, the company shifted to produce high-quality water systems for computer makers. Later, it shifted to a new membrane technology, which permitted integrated systems to be sold.

When GE bought the company, it branded the products as GE Glegg Water Technologies. By 2002, however, GE rebranded the products again to GE Water Technologies.

At Glegg Water Treatment Services, change leaders understood the strategic shifts in the industry and what that implied for their organization. Between these major disruptions, they worked incrementally to improve operations and to change the organization for the better. To do this, they motivated people by reinforcing their belief in the importance of what they were doing—providing the purest water possible. However, they did not just use these visionary or emotional appeals, they also used data to persuade. Hard, calculated numbers pushed their perspectives forward and provided convincing evidence of the need for change and the value of the vision.

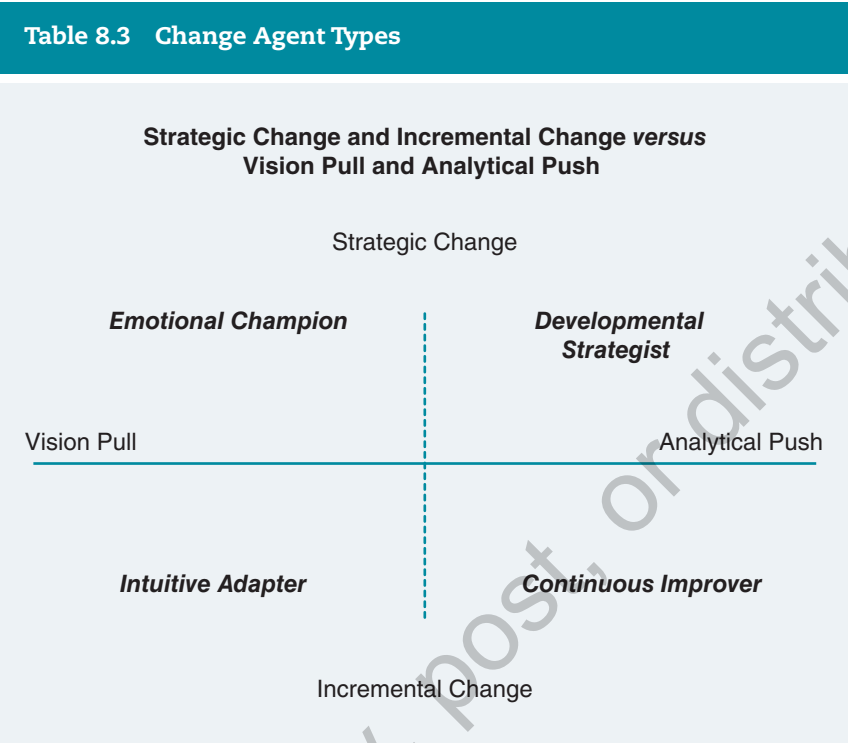
Much of the change literature differentiates between the types of change that Glegg experienced: strategic or episodic change followed by incremental or continuous change.<sup>43</sup> Episodic change is change that is “infrequent, discontinuous, and intentional.” Continuous change is change that is “ongoing, evolving and cumulative.” Weick and Quinn suggest that the appropriate model here is “freeze, rebalance and unfreeze.” That is, change agents need to capture the underlying patterns and dynamics (freeze the conceptual understanding); reinterpret, relabel (reframe and rebalance those understandings); and resume improvisation and learning (unfreeze).<sup>44</sup> Further, Weick and Quinn suggest that the role of change agents shifts depending on the type of change. Episodic change needs a prime mover change agent—one who creates change. Continuous change needs a change agent who is a sense maker who is then able to refine and redirect the organization’s actions.

The Glegg Water example also shows that change agents and their agendas can act in “pull” or “push” ways. *Pull actions* by change agents create goals that draw willing organizational members to change and are characterized by organizational visions of higher-order purposes and strategies. *Push actions*, on the other hand, are data based and factual and are communicated in ways that advance analytical thinking and reasoning and that push recipients’ thinking in new directions. Change agents who rely on push actions can also use legitimate, positional, and reward-and-punishment power in ways that change the dynamics of situations.<sup>45</sup> At Glegg Water, markets were assessed and plans were created and implemented based on the best data available.

Table 8.3 outlines a model that relates the motivational approaches of the change agent (analytical push versus emotional pull) to the degree of change needed by the organization (strategic versus incremental). The model identifies four change agent types: Emotional Champion, Developmental Strategist, Intuitive Adapter, and Continuous Improver. Some change agents will tend to act true to their type due to the nature of their personalities, predispositions, and situations. Others will move beyond their preferences and develop greater flexibility in the range of approaches at their disposal. The latter will therefore adopt a more flexible approach to change, modifying their approach to reflect the specific situation and the people involved.

The **Emotional Champion** has a clear and powerful vision of what the organization needs and uses that vision to capture the hearts and motivations of the organization’s members. An organization often needs an emotional champion when there is a dramatic shift in the environment and the organization’s structures, systems, and sense of direction are inadequate. To be an emotional champion means that the change agent foresees a new future, understands the deep gap between the organization and its future, can articulate a powerful vision

that gives hope that the gap can be overcome, and has a high order of persuasion skills. When Glegg Water Treatment Services was faced with declining growth and needed to find new growth markets, it needed the visionary who could picture the strategic shift and create an appealing vision of that future.



**An Emotional Champion**

- is comfortable with ambiguity and risk;
- thinks tangentially and challenges accepted ways of doing things;
- has strong intuitive abilities; and
- relies on feelings and emotions to influence others.

The **Developmental Strategist** applies rational analysis to understanding the competitive logic of the organization and how it no longer fits with the organization's existing strategy. He or she sees how to alter structures and processes to shift the organization to the new alignment and eliminate the major gap between the organization and the environment's demands. Again, in Glegg Water, the strategic shifts resulted not only from the capturing of a new vision but also from market intelligence and analysis. Hard-nosed thinking enabled Glegg Water to see how to take its company to a new level by finding a new market focus.



### A Developmental Strategist

- engages in big-picture thinking about strategic change and the fit between the environment and the organization;
- sees organizations in terms of systems and structures fitting into logical, integrated components that fit (or don't) with environmental demands; and
- is comfortable with assessing risk and taking significant chances based on a thorough assessment of the situation.

The **Intuitive Adapter** has the clear vision for the organization and uses that vision to reinforce a culture of learning and adaptation. Often the vision will seem less dramatic or powerful because the organization is aligned with its environment and the change agent's role is to ensure the organization stays on track. The change agent develops a culture of learning and continuous improvement where employees constantly test their actions against the vision. At Glegg Water, continuous improvement was a byword. Central to this were the people who understood the pure water vision and what it meant to customers. Efficiency was not allowed to overrule a focus on quality.

### An Intuitive Adapter

- embraces moderate risks;
- engages in a limited search for solutions;
- is comfortable with the current direction that the vision offers; and
- relies on intuition and emotion to persuade others to propel the organization forward through incremental changes.

The **Continuous Improver** analyzes micro environments and seeks changes such as reengineering systems and processes. The organization in this category is reasonably well aligned with its environment and is in an industry where complex systems and processes provide for improvement opportunities. At Glegg Water, information systems captured data on productivity and processes. These data were used to improve efficiency and profits.

### A Continuous Improver

- thinks logically and carefully about detailed processes and how they can be improved;
- aims for possible gains and small wins rather than great leaps; and
- is systematic in his or her thinking while making careful gains.

The purpose of this model is to marry types of change with methods of persuasion. Each change agent will have personal preferences. Some will craft visions that could sweep employees onto the change team. Others will carefully and deliberately build a data-based case that would convince the most rational finance expert. Change agents will have their preferred styles but, as noted earlier, some will be able to adapt their approach and credibly use other styles as the situation

demands. By knowing your own level of flexibility, you can undertake initiatives that will develop your capacity to adapt your approach as a change agent in a given situation. Alternatively, if you're concerned about your own capacity to respond, you can ally with others who possess the style that a particular situation demands.

In Chapter 1, we briefly discussed the preferences of adaptors (those with an orientation toward incremental change) and innovators (those who prefer more radical or transformational change).<sup>46</sup> Kirton's work with these two orientations points out that individuals tend to have clear preferences in their orientation and sometimes fail to recognize the value present in the alternative approach to change as they focus on what they are most comfortable with. When this occurs, there may be an inappropriate fit of approach with the situation or the people involved. Alternatively, when individuals with both preferences are present, this can lead to disagreement and conflict concerning how best to proceed. While constructive disagreement and debate about alternatives is valuable, managers need to avoid dysfunctional personal attacks and defensive behavior. This points again to the importance of developing greater awareness of the different change styles and the benefits of personal flexibility. When managers lack the needed orientation and style, they need access to allies with the requisite skills.

Many organizations expect their managers to develop skills as change agents. As a result, managers need to improve their understanding of internal change agent roles and strategies. Internal organizational members need to learn the team-building, negotiating, influencing, and other change-management skills to become effective facilitators. They need to move beyond technical skills from being the person with the answer to being the person with process-management change skills: the person who helps the organization find the answers and handles the complex and multivariate nature of the reality it faces.<sup>47</sup>

Hunsaker identified four different internal roles a change agent can play: catalyst, solution giver, process helper, and resource linker.<sup>48</sup> The **catalyst** is needed to overcome inertia and focus the organization on the problems faced. The **solution giver** knows how to respond and can solve the problem. The key here, of course, is having your ideas accepted. The **process helper** facilitates the "how to" of change, playing the role of third-party intervener often. Finally, the **resource linker** brings people and resources together in ways that aid in the solution of issues. All four roles are important, and knowing them provides a checklist of optional strategies for the internal change agent. See **Toolkit Exercise 8.4** to find your change agent preference.

## INTERNAL CONSULTANTS: SPECIALISTS IN CHANGE

**Internal change agents** involved with leading projects often have line responsibilities for the initiative. However, larger organizations also advance change through the use of individuals who are internal consultants. Organizational-development specialists, project-management specialists, lean or Six Sigma experts, and specialists from other staff functions such as accounting and IT are examples of this. When internal change agents are operating from a consulting role, Christopher Wright found that they manage the ambiguity and communicate the value associated with such roles by developing a professional persona that highlights their distinctive competencies as well as reinforces their internal knowledge and linkages.<sup>49</sup>

Internal change agents are critical to the process because they know the systems, norms, and subtleties of how things get done, and they have existing relationships that can prove helpful. However, they may not possess needed specialized knowledge or skills, lack objectivity or independence, have difficulty reframing existing relationships with organizational members, or lack an adequate power base. When there are concerns that these gaps cannot be sufficiently addressed by pulling in other organizational members to assist with the process, organizational leaders may believe that it is necessary to bring in external consultants to assist with the project. Sometimes the external consultants are sought out by the internal change agents, while at other times they are thrust upon them. Wise organizational leaders know that external consultants need strong credentials if they are to win over the skeptics about a change project. In fact, poorly performing external consultants can create resistance to a change initiative.

## EXTERNAL CONSULTANTS: SPECIALIZED, PAID CHANGE AGENTS

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### Provide Subject-Matter Expertise

**External change agents** are often hired to promote change through the technical expertise and credibility they bring to an internal change program. This was the case at Simmons College.

## USING AN EXTERNAL CONSULTANT AT SIMMONS UNIVERSITY<sup>50</sup>

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In 2006, the School of Business, Simmons University, Boston, Massachusetts, turned to an external consultant when working to gain AACSB International accreditation. The faculty had floundered for several years about how to assess students' learning of the overall management curriculum. Required by the AACSB's Standards to illustrate that its graduating students have learned a program's curriculum, some schools institute standardized tests to assess students' learning. However, the School of Busi-

ness wanted a customized approach to evaluate the unique aspects of its management curriculum. The faculty struggled to envision methodologies and content to reach its goals. Finally, Katherine Martell, an assessment guru, was hired, bringing with her knowledge of how 50 other business schools conducted their assessment processes. When she left the school after two days of working with the faculty, the assessment processes and plans were in place and readily implemented in the following months.

Katherine Martell, the external consultant, was able to help faculty solve the "assessment of learning" problem that had stalled their progress in attaining AACSB accreditation. She did so by helping them work their way through the issues and find a solution. In addition to her technical skills and professional credibility, she was also retained because she possessed well-developed team-process skills that were instrumental in helping them work their way through the

problem. When internal change agents or their teams feel they lack the technical skills needed in these areas, they often turn to external expertise.

### Bring Fresh Perspectives From Ideas That Have Worked Elsewhere

Too often, insiders find themselves tied to their experiences, and outside consultants can help extricate them from these mental traps.<sup>51</sup> Much can be learned from the systems and procedures that others have used elsewhere. In the following example, the leadership team at Knox Presbyterian Church (Waterloo) recognized it had a problem with how to approach fundraising and turned to RSI Consulting, who had helped many other churches address similar challenges through the use of established procedures. Once it had examined RSI's approach, the church's leadership team retained Craig Miller's services and was able to successfully adopt the approach.

## EXTERNAL CONSULTANTS AS PROCESS EXPERTS<sup>52</sup>

When Knox Presbyterian Church, Waterloo, Canada, was planning a new building, church leaders decided they needed a capital campaign to bring life to their change initiative. However, the coordinating team knew that their view of fundraising was tied to past approaches and they recognized that these would not be able to raise the funds required. They searched out and hired RSI Consulting, specialists in church campaigns, with more than 9,000 conducted in 38 years. Craig Miller of RSI brought standard

templates, which he used to guide church volunteers in framing the campaign and organizing their fundraising work. The Knox Congregation had the vision and the manpower but lacked the expertise and structure in how to handle the fundraising. By hiring RSI, they did not have to design the structure for a capital campaign; they borrowed it. As a result, Knox church members raised more than \$2.3 million in pledges, in the 90th percentile of results for that size of church, and they did so very economically.

### Provide Independent, Trustworthy Support

To help them manage the change process, internal change agents may find they need access to outside consultants who are viewed as independent, credible, competent, and (most importantly) trustworthy by others in the organization. In addition to guidance, they may be able to lend external credibility and support for analyses that advance the change initiative. Such consultants can prove extremely helpful with internal and external data gathering and the communication of the findings and their implications. Organizational members may feel more comfortable sharing their thoughts and concerns with the consultants than they would with internal staff. Finally, the external validation their analyses and conclusions provide may be the nudge needed to generate high levels of internal support for the change and action.

### Limitations of External Consultants

External consultants can be instrumental in helping foster an atmosphere conducive to change by leveraging their reputations and skill sets through the way they manage

the process. However, they have their limitations. They lack the deep knowledge of the political environment and culture of the organization that the inside change agents should have, and in the end it is the organization that needs to take responsibility for the change, not the external consultant. As a result, external change consultants may be able to assist internal agents, but they cannot replace them. Final decision-making needs to reside with the internal change leader and the organization.

How an internal change leader selects, introduces, and uses external consultants will have a lot to do with the ultimate success or failure of a change initiative. Consultants come in many forms, with different backgrounds, expertise, price tags, and ambitions. They often come with prescribed methodologies and offer prepackaged solutions. As a result, some consultants are insensitive to the organization's culture. The provision of ready-made answers not based in specific organizational research can be frustrating, and prescription without diagnosis is arguably malpractice.<sup>53</sup> Responsibility for this failure will fall back on the manager who retained the consultant, since he or she is accountable for managing this relationship.

Another risk factor is that consultants may receive signals that they are expected to unquestioningly support the position of the leader of the organization that brought them in, even when the external consultants have serious concerns with the course of action being undertaken. When external consultants lose their ability to provide independent judgment, their value and credibility are seriously reduced and their reputations may suffer irreparable harm if they succumb to pressure and the change subsequently fails in a very public manner.<sup>54</sup> In spite of these and other risks, many organizations continue to use external consultants to advance their change agendas and mitigate the risks of failure. One study reports that 83% of organizations that used consultants said they would use them again.<sup>55</sup> To increase the chances of success, consider the following advice on how to select an external consultant.

## HOW SHOULD YOU SELECT AN EXTERNAL CONSULTANT?<sup>56</sup>

Since the appropriate consultant or consulting team will either advance or detract from the success of your change initiative, selecting a suitable one is a critical step. The following process is recommended for complex organizational change situations:

1. Ensure that you have a clear understanding of what you want from the consultants. Too often organizations hire consultants without thinking through exactly what value they can and will bring. Know who they will report to, what roles they will play, and how much you are willing to pay for their services.
2. Talk with multiple (up to five) consultants and/or consulting organizations. Internal change leaders will learn a great deal about the organization's problems and how they might be solved by talking with multiple vendors. They will also be able to compare and contrast the consultants' working styles, allowing them to gauge the chemistry between the change leader and team and the consultant. The internal change leader needs to ask, Do we have complementary or similar skills and outlook? Does this consultant bring skills and knowledge that I lack internally? Does the organization have the budget that is needed to engage this consultant?

3. Issue a request for proposals (RFP). Only ask those consultants with whom you would like to work, since writing and responding to RFPs is a time-consuming and labor-intensive process. Ask the internal leaders of the change process to objectively review the RFPs and provide you with feedback.
4. Make your decision and communicate expectations. Indicate clearly to the internal change leaders, the consultant(s), and all stakeholders the time line, roles, expectations, deliverables, and reporting relationships

## CHANGE TEAMS

To balance access to needed perspectives, organizational leaders are moving toward the use of **change teams** that embody both internal and external perspectives. Change initiatives that are large require the efforts of more than one change agent. Outside consultants may be helpful, but as was noted earlier, they may be too expensive, and lack credibility. As a result, change agents look to extend their reach by using change teams. Worren suggests that teams are important because “employees learn new behaviors and attitudes by participating in ad-hoc teams solving real business problems.”<sup>57</sup> Further, as change agents become immersed in the change, the volume of work increases and the roles and skills required of them vary. A cross-functional change team can be used to bring different perspectives, expertise, and credibility to bear on the change challenge inherent in those different roles.<sup>58</sup>

Organizational downsizing and increasing interest in the use of self-managed teams as an organizing approach for flattened hierarchies and cross-functional change initiatives have spurred awareness of the value of such teams.<sup>59</sup> Involvement in self-managed teams gives people space and time to adjust their views and/or influence the change process. It moves them out of the role of recipient and makes them active and engaged stakeholders.

In a benchmarking study focused on the best practices in change management, Prosci describes a good change-management team member as follows:

- Being knowledgeable about the business and enthusiastic about the change
- Possessing excellent oral and written communications skills, and a willingness to listen and share
- Having total commitment to the project, the process, and the results
- Being able to remain open minded and visionary
- Being respected within the organization as an apolitical catalyst for strategic change.<sup>60</sup>

Some of these characteristics of a good change team member appear contradictory. For example, it is tricky to be simultaneously totally committed and open-minded. Nevertheless, skilled change leaders often exhibit paradoxical or apparently contradictory characteristics. For example, the need to both be joined with and yet separate from other members of the change team in order to maintain

independence of perspective and judgment is a difficult balance to maintain.<sup>61</sup> See **Toolkit Exercise 8.5** to analyze your skills as a change team member.

Working with and in teams is a baseline skill for change leaders. They must not only work to achieve the change, but they must also bring the change team along so that it accepts, is enthusiastic about, and effectively contributes to the implementation of the change initiative. Many might believe that this requires individuals who are adept at reducing stress and strain in the team, but this is not always the case.

## BILL GATES: TEAM LEADER

Gates rarely indulges in water-cooler bantering and social niceties that put people at ease. But while Microsoft's former CEO and chairman was not considered a warm, affable person, he was an effective hands-on manager, says one

former employee. "Bill is an exceptional motivator. For as much as he does not like small talk, he loves working with people on matters of substance," says Scott Langmack, a former Microsoft marketing manager.<sup>62</sup>

The most effective response will depend upon the needs of the situation. Bill Gates, for example, developed high-performance change teams in spite of a dominating personality and awkward social skills because of his abilities in the areas of vision and his capacity to attract and motivate highly talented individuals.

In the summer of 2008, Gates announced that he would cease full-time work at Microsoft to focus on his charitable foundations.<sup>63</sup> With this announcement, change agents and teams within Microsoft faced a new set of challenges related to managing this transition. Teams were essential components in making change happen.

## A SUCCESSFUL CHANGE TEAM AT CASE WESTERN RESERVE UNIVERSITY

Many years ago, a group of students at Case Western Reserve University decided that there had to be better ways of teaching organizational change and development. This small group dedicated itself to changing the system. In two years, they transformed parts of Case Western and created the first doctoral program in organizational development with themselves as potential graduates. They planned and plotted. They identified key stakeholders and assigned team members to each stakeholder with the responsibility of bringing that stakeholder

onside—or at least neutralizing their opposition. It was the team that made the change happen. They put into practice what they were learning as students.<sup>64</sup>

Creating the conditions for successful change is more than having an excellent change project plan. Equally important is recognizing the different change roles that need to be played and then developing a strong change team. This section covers the different change roles that team members play and how you design an excellent change team.



### Possible Roles Within Change Teams\*

Many change examples point out the need for a **champion** within the team who will fight for the change under trying circumstances and will continue to persevere when others might have checked out and given up. These change champions represent the visionary, the immovable force for change who will continue to push for the change regardless of the opposition. Senior managers need to ensure that those to whom the change is delegated possess the energy, drive, skills, resilience, and credibility needed to make it happen. If these are lacking, steps need to be taken to ensure that they are either developed or appropriate team members pick up the slack.

Change champions should consider two further organizing roles that are often better operationalized through the use of two separate teams: a **steering team** and a **design and implementation team**. The steering team provides advice to the champion and the implementation team directs the change in light of other events and priorities in the organization. As suggested by the name, the steering team plays an advisory and navigational function for the change project. It provides direction to the team's mandate, helps secure needed resources, suggests higher-order policies, and participates in major go/no-go decisions.

The design and implementation team plans the details of the change, deals with the stakeholders, and has primary responsibility for the implementation. The responsibilities of the different team members will vary over time, depending upon what is needed and their skill sets. The team will often have a **change project manager** who will coordinate planning, manage logistics, track the team's progress toward change targets, and manage the adjustments needed along the way.

Senior executives who act as **sponsors** of change foster commitment to the change and assist those charged with making the change happen.<sup>65</sup> Sponsors can act visibly, can share information and knowledge, and can give protection. **Visible sponsorship** means the senior manager advocates for the change and shows support through actions (i.e., use of influence and time) as well as words. **Information sharing and knowledge development** has the sponsor providing useful information about change and working with the team to ensure that the plans are sound. Finally, sponsors can **provide protection** for those to whom the change has been delegated. Without such protection, the individuals in the organization will tend to become more risk averse and less willing to champion the change.<sup>66</sup>

### Developing a Change Team

Developing the team is an important task for the change leaders because the ability to build teams, motivate, and communicate are all predictors of successful change implementation.<sup>67</sup> If **change teams** can be developed that are self-regulating, change can often be facilitated because teams leverage the change leader's reach. The engagement and involvement of team members tends to heighten their commitment and support for the initiative,<sup>68</sup> and because they operate independently, self-managed teams can reduce the amount of time senior

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\*In Chapter 1, we discussed the roles that an individual can play: change recipient, initiator, facilitator, and implementer. These same roles are looked at here in relation to change teams.

managers must commit to implementation-related activities. Self-managed teams share an understanding of the change goals and objectives, sort out the differentiation and execution of tasks, and have control over the decision process.

Wageman has identified the following seven factors as critical to team success with self-managed teams:

- clear, engaging direction;
- a real team task;
- rewards for team excellence;
- the availability of basic material resources to do the job;
- authority vested in the team to manage the work;
- team goals; and
- the development of team norms that promote strategic thinking.<sup>69</sup>

A similar list was developed by the Change Institute and is set out in Table 8.4.<sup>70</sup>

The dedication and willingness to give it their “all” is the most obvious characteristic of highly committed change teams. The dogged determination to make changes regardless of personal consequences because of a deep-rooted belief in a vision creates both the conditions for victory and the possibilities of organizational suicide. In the earlier example at Case Western Reserve University, if the changes were not successful, the individuals involved would have sacrificed several years of their lives to no organizational effect. In the case of Lou Gerstner’s turnaround at IBM,<sup>71</sup> there was a distinct possibility that the firm would not survive and members of his inner circle would be forever known as the individuals who oversaw the collapse of this American corporate icon. Instead, they are known as the inner circle who helped Gerstner turn around IBM from losing \$8.1 billion in 1993 to renewal, profitability, and growth. At the time of his retirement in 2002, the value of a share of IBM’s stock had risen from \$13 to \$80, adjusted for splits. Wanting to create one “Big Blue,” Gerstner reorganized the corporation from individual fiefdoms to one integrated organization and tied the pay of his top

**Table 8.4 Design Rules for Top Teams**

1. Keep it small: 10 or fewer members.
2. Meet a minimum of biweekly and demand full attendance—less often breaks the rhythm of cooperation. How the team meets is less important—it may be face to face or through virtual means.
3. Everything is your business. That is, no information is off-limits.
4. Each of you is accountable for your business.
5. No secrets and no surprises within the team.
6. Straight talk, modeled by the leader.
7. Fast decisions, modeled by the leader.
8. Everyone’s paid partly on the total results.

10 executives (his inner circle) to the overall company's performance. In reflecting upon his success in transforming IBM, Gerstner stressed "how imperative it was for a leader to love their business and to 'kill yourself to make it successful.' There is no substitute for hard work and the desire to win. CEOs face a multitude of choices, often peddled by a multitude of self-interested advisors, but they need to focus on exploiting competitive advantages in core businesses" (p. 2).<sup>72</sup>

In forming a change team, the personalities and skills of the members will play a significant role in the team's success. The change process demands a paradoxical set of skills: the ability to create a vision and the intuition to see the connections between that vision and all of the things that will need to be done. This includes identifying who will need to be influenced; thinking positively about stakeholders while recognizing what will influence them and why they may resist you; caring passionately for an initiative and yet not interpreting criticism as a personal attack; and translating strategy and vision into concrete change plans. Having the capacity to deal with these paradoxes requires comfort and skill in dealing with ambiguity and complexity.

## DEVELOPING CHANGE TEAMS AT FEDERAL EXPRESS<sup>73</sup>

Federal Express has developed a checklist for using change teams.

1. Ensure that everybody who has a contribution to make is fully involved, and those who will have to make any change are identified and included.
2. Convince people that their involvement is serious and not a management ploy—present all ideas from management as "rough" ideas.
3. Ensure commitment to making any change work—the team members identify and develop "what is in it for them" when they move to make the idea work.
4. Increase the success rate for new ideas: identify problems in a problem-solving, rather than blame-fixing, approach.
5. Deliver the best solutions: problem-solving teams self-select to find answers to the barriers to successful implementation.
6. Maintain momentum and enthusiasm: the remainder of the team continues to work on refining the basic idea.
7. Present problem solutions, improve where necessary, approve, and implement immediately.
8. Refine ideas, agree upon them, and plan the implementation process.

Adapted from Lambert, T. (2006). Insight. MENAFN .com.

While the tasks around change demand the paradoxical expertise explained above, functional and technical competencies also play a very important role. It is difficult to imagine a team establishing credibility if it lacks such basics. However, the personalities present in the team will influence how the team interacts and performs, including its ability to manage the inherent paradoxes. While it is usually not necessary for the team to be highly cohesive, cohesion, rooted in a shared sense of purpose, will lend strength to the change effort and focus the

team's activities. Implementing change requires considerable energy and can be frustrating and exhausting. At such times, having access to a cohesive and committed team can be invaluable in sustaining the team during difficult times.

The boxed insert below describes how Federal Express systematically develops a team approach to change.

Use to your advantage the Checklist: Structuring Work in a Change Team that follows the Key Terms section in this chapter.

## CHANGE FROM THE MIDDLE: EVERYONE NEEDS TO BE A CHANGE AGENT

Increasingly, successful organizational members will find that they need to act as change agents in their organizations. As Katzenbach suggests, the real change leader will take action—do things, try them out, and then do it again while getting better.<sup>74</sup> While this book applauds this type of initiative, remember the first rule for change agents: *Stay alive*.

When managers find themselves involved with change, most will be operating from the middle of the organization. At times, they will have those above them attempting to direct or influence change while they are trying to influence those superiors about what needs to be initiated and how best to proceed. At other times, middle managers will need to deal with subordinates and peers who will be on the receiving end of the change or who are themselves trying to initiate activities.

Oshry recognized the feelings of **middle powerlessness** that many feel when operating in the “middle” and outlined strategies for increasing one’s power in these situations.<sup>75</sup> Problem ownership is one of the key issues. Far too often, managers insert themselves in the middle of a dispute and take on others’ issues as their own when, in fact, intervention is not helpful. As well, when the issue is the managers, they may refuse to use their power. They need to take responsibility, make a decision, and move on. Or, they need to refuse to accept unreasonable demands from above and attempt to work matters out rather than simply acquiesce and create greater problems below.

Oshry’s advice to those in the middle is as follows:

1. “Be top when you can and take responsibility for being top.”
2. “Be bottom when you should.” Don’t let problems just flow through you to subordinates.
3. “Be coach” to help others solve their own problems so they don’t become yours.
4. “Facilitate” rather than simply carry messages when you find yourself running back and forth between two parties who are in conflict.
5. “Integrate with one another” so that you develop a strong peer group that you can turn to for advice, guidance, and support.

Whether a manager uses logic or participation to engage others in a change initiative, or acts on his or her own,<sup>76</sup> the message is clear: managers are increasingly being held accountable for taking action. Scanning the environment,

figuring out what will make things better, and creating initiatives are the new responsibilities today's managers carry. This text argues that any change agent role—initiator, implementer, facilitator, or team member—is preferable to constantly finding yourself on the receiving end of change. A strategy of passively keeping one's head down and avoiding change increases a person's career risk because he or she will be less likely to be perceived as adding value.

## FROM A CHANGE EXPERT

Greg Brenneman has made a career out of turning large companies around and encourages people to work with sick organizations. "If you have a chance of working for a healthy or a sick one, choose the sick one. The sickest ones need the best doctors and it's a lot easier to stand out in a company that needs help," he said to MBA students in 2008.<sup>77</sup> These companies are

the ones where you really get into the work and help a company truly succeed. The successful ingredients in turnarounds, according to Brenneman, are the financials; developing and sticking to a clear strategy, especially in a time of crisis; identifying new leaders from the industry to lead the company; and plain hard work.

## RULES OF THUMB FOR CHANGE AGENTS

How should managers act as change agents? Several authors have proposed useful insights and wisdom from their experiences and analysis of change leaders. These **rules of thumb for change agents** which have been integrated, combined, and added to, are listed below:<sup>78</sup>

**Stay alive**—"Dead" change agents are of no use to the organization. The notion that you should sacrifice yourself at the altar of change is absurd unless you truly wish it. At the same time, the invocation to "stay alive" says you need to be in touch with those things that energize you and give you purpose.

**Start where the system is**—Immature change agents start where they are. Experienced change agents diagnose the system, understand it, and begin with the system.

**Work downhill**—Work with people in the system in a collaborative fashion. Confront and challenge resisters in useful ways. Don't alienate people if at all possible. Work in promising areas and make progress.

**Organize, but don't over-organize**—Plans will change. If you are too organized, you risk becoming committed to your plan in ways that don't permit the inclusion and involvement of others.

**Pick your battles carefully**—Don't argue if you can't win. A win/lose strategy deepens conflict and should be avoided wherever possible. The maxim "If you strike a king, strike to kill" fits here. If you can't complete the job, you may not survive.

**Load experiments for success**—If you can, set up the situation and position it as positively as possible. Change is difficult at the best of times—if you can improve the odds, you should!

**Light many fires**—High-visibility projects often attract both attention and opposition. Work within the organizational subsystems to create opportunities for change in many places, not just a major initiative.

**Just enough is good enough**—Don't wait for perfection. Beta test your ideas. Get them out there to see how they work and how people react.

**You can't make a difference without doing things differently**—Remember that definition of insanity—"doing things the same way but expecting different results." You have to act and behave differently to have things change. Hope is not an action.

**Reflect**—As individuals, as change teams, and as organizations, a commitment to learning from each experience and creating space for reflection on both positive and challenging moments is essential to effective and productive change.

**Want to change: focus on important results and get them**—Not only does success breed success, but getting important results brings resources, influence, and credibility.

**Think and act fast**—Speed and flexibility are critical. Sensing the situation and reacting quickly will make a difference. Acting first means others will have to act second and will always be responding to your initiatives.

**Create a coalition**—Lone ranger operatives are easy to dismiss. As Gary Hamel says, an "army of like-minded activists cannot be ignored."

## SUMMARY

This chapter describes how anyone, from any position in the organization, can potentially instigate and lead change, assuming a change agent role is a matter of personal attributes, a function of the situation, and the vision of the change agent. Four types of change leaders are described: the emotional champion, the intuitive adapter, the continuous improver, and the developmental strategist. Finally, the use of change teams was discussed. There was also advice to managers on how to handle the middle-manager role they might find themselves in when dealing with change.

The management of change is an essential part of the role of leaders. Leading change

will tax your skills, energize and challenge, exhaust, depress, occasionally exhilarate, and leave you, at times, with a profound sense of accomplishment. What it will not do is leave you the same.

The demands of organizations are clear—managers are expected to play an increasingly significant role in the management of change. Earlier, this book advised managers to know themselves, assess the situation carefully, and then take action. The next chapter outlines action planning to assist leaders of change. See **Toolkit Exercise 8.1** for critical thinking questions for this chapter.

## KEY TERMS

**Change agent effectiveness**—a function of the person, his or her vision, and the characteristics of the situation.

**Exothermic**—describes a change situation when energy is liberated by actions.

**Endothermic**—describes a change program that consumes energy and arouses opposition, which then requires more energy from the change agent.

**Change leaders**—pull people to change through the use of a powerful change vision.

**Change managers**—create change by working with others, overcoming resistance, and problem solving situations.

**Developmental stages of a change agent**—vary from a novice stage to an expert stage through successful experiences with increasingly complex, sophisticated change situations.

### Types of Change Leaders

**The Emotional Champion**—has a clear and powerful vision of what the organization needs and uses that vision to capture the hearts and motivations of the organization's members.

**The Developmental Strategist**—applies rational analysis to understanding the competitive logic of the organization and how it no longer fits with the organization's existing strategy.

**The Intuitive Adapter**—has the clear vision for the organization and uses that vision to reinforce a culture of learning and adaptation.

**The Continuous Improver**—analyzes micro environments and seeks changes such as re-engineering systems and processes.

### Hunsaker's Change Roles

The **catalyst**—needed to overcome inertia and focus the organization on the problems faced.

The **solution giver**—knows how to respond and can solve the problem as well as convince others to pursue their solutions.

The **process helper**—facilitates the “how to” of change, playing the role of third-party intervener often.

The **resource linker**—brings people and resources together in ways that aid in the solution of issues.

An **internal change agent**—an employee of the organization who knows the organization intimately and is attempting to create change.

An **external change agent**—a person from outside the organization trying to make changes. Often this person is an outside expert and consultant.

The **change team**—the group of employees, usually from a cross-section of the organization, that is charged with a change task.

The **champion**—the person within the change team who will fight for the change under trying circumstances and preserve throughout adversity.

The **steering team**—plays an advisory and guidance role to change leaders and design and implementation teams.

The **design and implementation team**—responsible for the actual design and implementation of the change initiatives.

The **change project manager**—coordinates planning, manages logistics, tracks the team's progress toward change targets, and manages the adjustments needed along the way.

A **sponsor** of change—senior executive who fosters commitment to the change and assists



the change agents who are actively making the change happen.

**Visible sponsorship**—entails actions including leveraging of influence and time to advocate for the change.

**Information sharing and knowledge development**—when the sponsor provides useful information to the change team and ensures that the team's change plans are sound.

Sponsors may also **provide protection** for those who are delegated with change tasks, allowing

change agents to be less risk averse and more willing to champion the change.

**Middle powerlessness**—the feeling of a lack of power and influence that those in middle-level organizational roles often experience when organizational changes are being implemented. Pressure comes from above and below and they see themselves as ill-equipped to respond.

**Rules of thumb for change agents**—things for change agents to keep in mind to ensure their survival and success over the long term.

## CHECKLIST: STRUCTURING WORK IN A CHANGE TEAM

Once the nature of the change initiative has been set out, team members will need to sort out what needs to be done when and who will do it.

A shorthand designation, **BART**, is a useful way to structure tasks among a working group. Talking about BART in the context of a newly forming team can make the roles and responsibilities among people clear and decrease conflict among group members.

To be a useful tool, start with *Tasks* and end with *Boundaries*. It is wise to have a conversation about these issues, put what has been agreed-upon in writing, and then revisit the structure at a designated time.

- 1) **Tasks:** This is the work that needs to be completed in a particular situation. Make a comprehensive list of tasks; next, assign the tasks to specific roles; then decide how much authority an individual has in the role; and, finally, describe how one role interfaces with another.
- 2) **Authority:** This is the scope of decision making that a particular team member has in her or his role.
- 3) **Roles:** These are the parts that individual team members have been explicitly assigned

to be responsible for in the execution of specific tasks.

- 4) **Boundaries:** The edge where one person's responsibilities end and another's begins.

In addition to the above items, team members need to come to agreement on how they will operate as a team. This includes

- (a) values the team shares and norms of behavior,
- (b) performance expectations they have for themselves and for one another,
- (c) how they will communicate with and support one another,
- (d) how they will manage and resolve conflicts,
- (e) how they will manage documents and reports,
- (f) how they will track and measure progress, and
- (g) how they will otherwise manage their team processes.

Once again, it is useful to put what has been agreed-upon in writing and then revisit it, as needed.

## END-OF-CHAPTER EXERCISES

### TOOLKIT EXERCISE 8.1

#### Critical Thinking Questions

The URL for the video listed below can be found in two places. The first spot is next to the exercise and the second spot is on the website at [study.sagepub.com/cawsey4e](https://study.sagepub.com/cawsey4e).

1. LeadersAngle Gene Deszca Organisational Change—14:59 minutes

<https://www.youtube.com/watch?v=n9lzudH-uJI>

- Evaluate yourself on the core competencies mentioned in the video.
- What do you think that you need to do to improve your skills or create a situation where you can be a successful change agent?

Please see [study.sagepub.com/cawsey4e](https://study.sagepub.com/cawsey4e) for a downloadable template of this exercise.

## TOOLKIT EXERCISE 8.2

### *Myself as Change Agent*

1. The following list of change agent attributes and skills represents an amalgam drawn from the previous section. Rate yourself on the following dimensions on the seven-point scale.

#### *Attributes of Change Leaders from Caldwell*

Low 1 2 3 4 5 6 7 High

- Inspiring vision 1 2 3 4 5 6 7
- Entrepreneurship 1 2 3 4 5 6 7
- Integrity and honesty 1 2 3 4 5 6 7
- Learning from others 1 2 3 4 5 6 7
- Openness to new ideas 1 2 3 4 5 6 7
- Risk taking 1 2 3 4 5 6 7
- Adaptability and flexibility 1 2 3 4 5 6 7
- Creativity 1 2 3 4 5 6 7
- Experimentation 1 2 3 4 5 6 7
- Using power 1 2 3 4 5 6 7

#### *Attributes of Change Managers from Caldwell*

- Empowering others 1 2 3 4 5 6 7
- Team building 1 2 3 4 5 6 7
- Learning from others 1 2 3 4 5 6 7
- Adaptability and flexibility 1 2 3 4 5 6 7
- Openness to new ideas 1 2 3 4 5 6 7
- Managing resistance 1 2 3 4 5 6 7
- Conflict resolution 1 2 3 4 5 6 7
- Networking skills 1 2 3 4 5 6 7
- Knowledge of the business 1 2 3 4 5 6 7
- Problem solving 1 2 3 4 5 6 7

#### *Change Agent Attributes Suggested by Others*

- Interpersonal skills 1 2 3 4 5 6 7
- Communication skills 1 2 3 4 5 6 7

- Emotional resilience 1 2 3 4 5 6 7
- Tolerance for ambiguity 1 2 3 4 5 6 7
- Tolerance for ethical conflict 1 2 3 4 5 6 7
- Political skill 1 2 3 4 5 6 7
- Persistence 1 2 3 4 5 6 7
- Determination 1 2 3 4 5 6 7
- Pragmatism 1 2 3 4 5 6 7
- Dissatisfaction with the status quo 1 2 3 4 5 6 7
- Openness to information 1 2 3 4 5 6 7
- Flexibility 1 2 3 4 5 6 7
- Capacity to build trust 1 2 3 4 5 6 7
- Intelligence 1 2 3 4 5 6 7
- Emotional intelligence 1 2 3 4 5 6 7

2. Do you see yourself as scoring high on some items compared to others? If so, you are more likely to be comfortable in a change agent role. Lack of these attributes and skills does not mean you could not be a change agent—it just means that it will be more difficult and it may suggest areas for development.

3. Are you more likely to be comfortable in a change leadership role at this time, or does the role of change manager or implementer seem more suited to who you are?

4. Ask a mentor or friend to provide you feedback on the same dimensions. Does the feedback confirm your self-assessment? If not, why not?

Please see [study.sagepub.com/cawsey4e](https://study.sagepub.com/cawsey4e) for a downloadable template of this exercise.

### TOOLKIT EXERCISE 8.3

#### *Your Development as a Change Agent*

Novice change leaders often picture themselves as being in the right and those that oppose them as somehow wrong. This certainty gives them energy and the will to persist in the face of such opposition. It sets up a dynamic of opposition—the more they resist, the more I must try to change them, and so I persuade them more, put more pressure on them, and perhaps resort to whatever power I have to force change.

1. Think of a situation where someone held a different viewpoint than yours. What were your assumptions about that person? Did you believe they just didn't get it, were wrong headed, perhaps a bit stupid?

Or did you ask yourself, why would they hold the position they have? If you assume they are as rational and as competent as you are, why would they think as they do? Think back to Table 8.2. Are you at Stage 1, 2, 3, or 4?

2. Are you able to put yourself into the shoes of the resister? Ask yourself: What forces play on that person? What beliefs does he or she have? What criteria is he or she using to evaluate the situation?
3. What are the implications of your self-assessment with respect to what you need to do to develop yourself as a change agent?

Please see [study.sagepub.com/cawsey4e](http://study.sagepub.com/cawsey4e) for a downloadable template of this exercise.

## TOOLKIT EXERCISE 8.4

### *What Is Your Change Agent Preference?*

1. How comfortable are you with risk and ambiguity?

Do you seek order and stability or change and uncertainty?

Describe your level of comfort in higher-risk situations.

Describe your degree of restlessness with routine, predictable situations.

2. How intuitive are you?

Do you use feelings and emotion to influence others? Or are you logical and systematic?

Do you persuade through facts and arguments?

3. Ask someone who knows you well to reflect on your change preferences and style. Does that person's judgment agree or disagree with yours?

Why? What data do each have?

4. Given your responses to the above, how would you classify yourself?

- An Emotional Champion
- An Intuitive Adapter
- A Developmental Strategist
- A Continuous Improver

5. How flexible or adaptive are you with respect to the approach you use?

(Continued)

(Continued)

Do you always adopt the same approach, or do you use other approaches, depending on the needs of the situation?

Which ones do you feel comfortable and competent in using?

Again, check out your self-assessment by asking a significant other for comments. Comment on their response.

Please see [study.sagepub.com/causey4e](https://study.sagepub.com/causey4e) for a downloadable template of this exercise.



## TOOLKIT EXERCISE 8.5

### *Your Skills as a Change Team Member*

1. Think of a time when you participated in a team. What was the team's goal?

How well did the team perform? Were the results positive?

Why or why not?

2. Did the team members exhibit the characteristics listed by Prosci, below? Rate your team members' performance on these characteristics.
  - Being knowledgeable about the business and enthusiastic about the change
  - Possessing excellent oral and written communications skills and a willingness to listen and share
  - Having total commitment to the project, the process, and the results
  - Being able to remain open-minded and visionary
  - Being respected within the organization as an apolitical catalyst for strategic change<sup>79</sup>
3. What personal focus do you have? Do you tend to concentrate on getting the job done—a task focus? Or do you worry about bringing people along—a process focus?
4. How would you improve your skills in this area? Who might help you develop such skills?

Please see [study.sagepub.com/cawsey4e](https://study.sagepub.com/cawsey4e) for a downloadable template of this exercise.

# MASTER CHANGE AGENT: KATHERINE GOTTLIEB, SOUTHCENTRAL FOUNDATION

By Erin E. Sullivan, Research Director, PhD  
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Katherine Gottlieb, president and chief executive officer (CEO) of Southcentral Foundation (SCF) in Anchorage, Alaska, was up at 4 a.m. She thought about how much SCF had changed since she started as a receptionist in 1987. In June 2014, Gottlieb was leading 1,750 staff members, and had grown the organization to include the robust Anchorage Native Primary Care Center, and other community health centers across Southern Alaska. These centers provided services that supported the wellness of the American Indian and Alaska Native (AIAN) population. With all her accomplishments at SCF, Gottlieb still maintained an endless list of ideas for SCF. At the same time, Gottlieb had been at the helm of SCF for more than two decades and was approaching retirement. She had worked hard to develop a cadre of leaders within the organization and a culture that could be sustained while managing the 21st-century challenges of leading a large health system.

## KATHERINE GOTTLIEB: LEADER

Gottlieb, who belonged to three tribes in the AIAN community, grew up in the remote fishing village of Seldovia, Alaska. The village had no electricity and a population of about 100 people. In 1987, Gottlieb walked into SCF with a grin on her face, in search of a job and proclaimed she wanted to be CEO. Although the organization responded by making her a receptionist, Gottlieb defied circumstances by finding ways to serve as a leader in every role she held. She understood that leadership was not exclusive to those with the title of “CEO.”

Shortly after joining SCF, Gottlieb requested funds and purchased a new sturdy, oak desk to replace the metal one that clanged and rattled as she sat welcoming patients all day. Gottlieb intentionally replaced the desk because she recognized that she was the face of SCF. Her goal, in serving the AIAN people, was to immediately raise their self-esteem by welcoming them into an environment that was inviting and safe as opposed to sterile or run-down. Gottlieb’s own experience with the health system inspired her departure from the status quo:

I began my experience in the healthcare field as patient number 32041 in a hospital system that was managed by a very bureaucratic government system. No matter what I needed, if it was dental care, strep throat, pregnancy, or eye care, I went through the emergency room, and that was our entry level. No one was happy, the waiting room was filled with sick babies, and everybody was sick. . . . Our wait time could be up to 7–9 hours. If I went with babies, I would just bring a blanket and food and we would picnic over off in the corner because we knew we were going to be stuck. . . . So as a patient, everybody was grumpy. . . . Our lines were really, really long and I felt like cattle, like cattle being prodded through the system—that is the feeling that I had.

Over the next four years at SCF, Gottlieb proceeded to create new positions for herself. They

included administrative assistant, corporate compliance director, and associate director. Gottlieb was appointed deputy director of SCF in 1989 and executive director in 1991 (see Exhibit 1 for a timeline of Gottlieb's accomplishments). In 1996, Gottlieb changed her title from executive director to president and CEO of SCF, and worked to build partnerships across Alaska. One of those seminal relationships was with former U.S. Senator Ted Stevens, an avid supporter of the AIAN people. Gottlieb routinely cultivated relationships with both local and Washington politicians. Furthermore, Gottlieb and her VPs spent approximately 25% of their time engaging constituents and stakeholders in dialogue.

During her tenure as president and CEO, Gottlieb demonstrated that it was possible to be both family oriented and to serve as an organizational leader. Gottlieb was not only devoted to her large family, but also established herself as a visionary leader. SCF's VP of medical services asserted, "One of the most powerful things is that she [Gottlieb] has almost a vision of limitless possibility. Most human beings are limited in their ability to dream about what's possible. Gottlieb has practically no limits, especially considering where we started from."

Gottlieb's leadership was nationally recognized, earning her a MacArthur Fellowship in 2004 and the Harry S. Hertz Leadership Award from the Foundation for the Malcolm Baldrige National Quality Award in 2015.

## SCF: ORGANIZATIONAL CULTURE

In 1998, the Alaska Area Indian Health Service (IHS) transferred ownership of the Alaska Native Medical Center to SCF and the Alaska Native Tribal Health Consortium (ANTHC). This transfer of ownership to SCF and the ANTHC marked the beginning of SCF's implementation of their "customer-owner" approach, the bedrock of its health care delivery model. This approach centered on renaming and reframing patients as customer-owners based on the premise that Alaska Native people owned their health system and should therefore fully engage with their health care.<sup>1</sup> Focus groups,

interviews, tribal leadership meetings, and surveys were used to engage customer-owners. Through this process, SCF created its current mission and vision statements. SCF's vision statement described "a Native Community that enjoys physical, mental, emotional and spiritual wellness." SCF's mission statement emphasized "working together with the Native Community to achieve wellness through health and related services" (see Exhibit 2 for SCF's operational principles).

SCF's mission and vision worked to support the Nuka System of Care (Nuka), which was the name SCF used to describe its approach to working together with the Native Community to achieve health and wellness in Alaska. The word Nuka represented "big living things" in many indigenous cultures. Named by Gottlieb, Nuka "addresses the challenges that health care systems around the world face—how to improve health care outcomes and customer satisfaction without skyrocketing costs."<sup>2</sup> In other words, it was about customer-ownership, relationships, and system transformation. According to SCF leadership, trust and accountability, maintained over time, were central to Nuka and formed the basis for the relationships between employees and between the customer-owner and the health care provider.<sup>3</sup> To understand and then implement Nuka, SCF required its employees to attend mandatory Core Concepts training.

## Core Concepts

SCF leadership developed a three-day program called Core Concepts as a way to teach the story of SCF and Nuka. This training also provided employees with the tools of empathy, compassion and relationship-building. Core Concepts explored how individual narratives and stories affected and shaped relationships people had with themselves and with others. SCF developed a pilot training program focused on setting goals, managing conflict, understanding personal motivations and assumptions about the world, and building relationships through sharing personal narratives. This program was piloted with 100 managers and program directors. "Putting the managers and directors

through the program was essential to achieve buy-in for the concept,” remembered Gottlieb.

Core Concepts officially started in 2008. Once the majority of the workforce was trained, SCF offered Core Concepts three to four times annually. Gottlieb also conducted mini-sessions to refresh Core Concepts principles for SCF division and department leaders. Additionally, SCF put their operations on hold for an Annual Learning Event for all staff. One SCF staff member noted that she applied Core Concepts outside of the workplace. Applying Core Concepts tools at home added to the holistic wellness of the AIAN community, and provided a common language for healthy communication in families and relationships.

### A Culture of Improvement

Gottlieb, along with her executive team, developed a cultural and operational structure to support continuous change and improvement. SCF leadership had looked to corporations like Disney and Ritz Carleton for best practices in customer service, and created multiple ways of soliciting and responding to feedback from customer-owners. SCF received customer-owner feedback via multiple channels, including iPads placed in primary care clinics, social media platforms, direct emails to Gottlieb, the Gathering (an annual SCF community event attended by more than 2,000 people each year), satisfaction surveys, comment cards, and a 24-hour phone hotline. Customer-owners were also present in SCF’s workforce (50–60%) and were another valuable source of feedback. SCF’s joint operating boards and advisory committees, entirely comprised of customer-owners, periodically met with SCF’s senior leadership team.

According to an SCF improvement advisor, this constant feedback loop within SCF empowered staff to think constantly about improvement and a culture of change. Improvement work was an essential part of every job function at SCF, and the organization provided ongoing training opportunities so that every employee could meet that expectation. SCF received and responded to

an average of 10 customer-owner comments per day. Gottlieb explained that SCF’s practice was to act directly on the feedback and then close the loop with customer-owners. Gottlieb elaborated: “We say we changed this because you asked for it. We built this because you said to. Pretty soon you own the change, not us, not we who are working on the job.” SCF’s customer-owner satisfaction rate consistently exceeded 90%.

### SCF: GOVERNANCE STRUCTURE

As Gottlieb expanded SCF, she reflected on its governance structure and noted, “to be successful at working with a governance body, building relationships is essential.” Gottlieb worked to build high trust and transparency throughout all levels of the organization. She explained that trust and transparency were important not only between executive leadership and the board, but also between the board and employees. To demonstrate her commitment to trust and transparency, Gottlieb removed the walls of the SCF boardroom and replaced them with glass—earning it the nickname “the fishbowl.” Gottlieb made sure that the SCF Board remained involved in SCF events, from special visits from external organizations to celebrations. Gottlieb reported, “There’s a relationship between the governance and community of employees we have. And they’re customer-owners—they’re Alaska Native people so they have a stake in the community and that’s a pretty big deal.”

### SCF’s Vice Presidents

Gottlieb’s executive team had all “grown up” in the organization together. Joining SCF between 1980 and 1996, the VPs had extensive knowledge of the organization having served in various administrative and clinical roles before assuming leadership positions as VPs. All six VPs reported to Gottlieb and were housed in the same location. She stated, “SCF’s VPs are all located in the same area so they interact as a team and have easy access to one another.” She met with SCF’s VPs frequently, and the group made many

of the high priority decisions. If consensus could not be reached, Gottlieb made the final decision. Gottlieb explained, “We work as a team, encourage each other to voice opinions, oppose ideas and are willing to struggle through long, hard discussions in order to reach consensus. . . . We’ve never brought an idea or concept to the Board without us [the VPs and Gottlieb] all in 100% agreement.”

### Annual Strategic Planning Process

SCF’s annual strategic planning process engaged the entire organization, from individual employees to the board. This process was grounded in SCF’s mission, vision, and corporate goals (shared responsibility, commitment to quality, family wellness, and operational excellence). The process involved implementing new initiatives and evaluating ongoing initiatives generated through the organization’s improvement processes. Starting in January, SCF leadership generated a strategic input document that assessed both external (e.g., customer-owner feedback) and internal (e.g., staffing needs) factors, including strategic challenges and advantages, that might affect the organization.

After reviewing the strategic input document, SCF’s board assessed how SCF’s corporate objectives would be impacted. With a set of corporate initiatives, linked to the corporate objectives, SCF divisions, committees, and departments completed their annual work plans every summer to address any new or ongoing initiatives in the strategic plan. SCF employees then met with their managers in November to create Personal Development Plans (PDPs) that outlined how they would support the annual work plans in the year ahead. SCF’s board also approved the budget in August/September. To keep the entire organization up to date, any employee could log in to the corporate intranet to view all documents developed during the strategic planning process.

## PLANNING FOR SCF’S FUTURE

Gottlieb partnered with SCF leadership to build the infrastructure and services required

to meet the community’s needs. In order to ensure the continuity of those resources after she retired, Gottlieb explained that she “put systems in place that are flexible, but very hard to change.” In particular, Gottlieb implemented structures to ensure SCF’s growth, which included creating several leadership development programs to ensure a pipeline of talent within the organization (see Exhibit 3 for the five leadership training programs launched with Gottlieb’s support). SCF also worked to retain as many employees as possible once they were hired. The only person who could officially fire an employee at SCF was Gottlieb, and she believed in “first, second, third, and fourth chances.”

As she contemplated retirement, Gottlieb recognized that a new CEO would inherit all of the challenges associated with running a health care organization in Anchorage, Alaska. The increasing number of older Alaska Native people with chronic diseases and a demand for specialty care would stretch the services SCF needed to provide. SCF would need to consider strategies for increasing preventive services and health education for the younger Alaska Native community. As the AIAN community moved from rural areas to Anchorage, this in turn increased the number of customer-owners that SCF served. However, despite SCF’s growing customer-owner population, IHS funding remained constant and did not increase accordingly. Recruiting physicians to Alaska was never easy. The political climate in the United States and health care reform also had the potential to affect the Alaska Native community.

Gottlieb believed that what mattered most was that a new CEO would continue the commitment she had made to all SCF employees and the 60,000+ AIAN people that SCF served. Gottlieb had nurtured a specific culture over the last twenty-five years, and it was important that a new CEO embody and sustain it. However, she wanted a new CEO to have his or her own dreams for SCF, and thought to herself, “If you get a new leader and nothing changes, what did you hire that person for?”

Exhibit 1 Timeline of Accomplishments During Katherine Gottlieb's Tenure at SCF



Source: Compiled by case writer based on biographical information available



## Exhibit 2 Operational Principles of Southcentral Foundation

**Relationships** between customer-owner, family and provider must be fostered and supported

**Emphasis** on wellness of the whole person, family and community (physical, mental, emotional, and spiritual wellness)

**Locations** convenient for customer-owners with minimal stops to get all their needs addressed

**Access** optimized and waiting times limited

**Together** with the customer-owner as an active partner

**Intentional** whole-system design to maximize coordination and minimize duplication

**Outcome** and process measures continuously evaluated and improved

**Not** complicated but simple and easy to use

**Services** financially sustainable and viable

**Hub** of the system is the family

**Interests** of customer-owners drive the system to determine what we do and how we do it

**Population-based** systems and services

**Services** and systems build on the strengths of Alaska Native cultures

Source: Southcentral Foundation

## Exhibit 3 Five Leadership Programs Developed Through Gottlieb's Support

**Executive Leadership Experience (ELE):** In order to prepare future AIAN VPs, Gottlieb launched the ELE in 2012. In the inaugural year, two staff members spent six months shadowing her. Gottlieb developed and coached the staff as they worked with her on projects. In 2015, eight staff members will enter into a full curriculum designed to prepare ELE participants for VP roles.

**Special Assistant Program:** This program provided executive level experience, connection across the organization, and leadership skills for an entry-level SCF staff member aspiring to work at the VP level. In this program, staff worked with Kevin Gottlieb, or other SCF VPs, on projects for the board and traveled on behalf of SCF.

**Foundations:** This program served as the long-term, on-the-job, core leadership training for entry-level staff climbing the career ladder and moving into positions requiring more leadership skills. The classroom portion of the course met once a month for eight hours, and covered two to three topics during each session; at Gottlieb's request, this program covered relationship building and leadership tools. Staff could begin at any point and cycled through 12 months of classes.

(Continued)



### Exhibit 3 (Continued)

**Administrative Support Training Program (ASTP):** In 2002, ASTP was created in response to retention rates of under 50% for front line staff (i.e. receptionists and schedulers). Before the eight-week ASTP training period, administrative support staff candidates first completed a one-week new hire orientation. During training, SCF classified these candidates as temporary, non-benefited employees. Candidates spent the first three weeks at the center on SCF's campus in Anchorage learning technical skills specific to their jobs, relationship building, and communication and conflict resolution skills.

Then the center, in consultation with division managers, placed trainees in available support positions throughout SCF for a five-week in-clinic training period. Candidates worked closely with a manager/supervisor to apply the skills learned in ASTP and to receive on-the-job training. At the end, the center staff met with managers to hire the candidates that were a good fit for the divisions for benefited positions. In 2014, SCF's ASTP retention rate was 90%.

**Responsible Adolescents in Successful Employment (RAISE) Program:** RAISE was SCF's summer internship program for AIAN youth between the ages of 14 and 19. This program, led by Ileen Sylvester, VP of tribal affairs, focused on providing training and leadership development for ~60 AIAN summer interns in addition to smaller numbers of winter and graduate interns. Gottlieb felt that this was one of her proudest accomplishments because it worked to build self-esteem and a culture of wellness among Alaska Native youth. As of 2014, 46 RAISE internship alumni were hired in full-time positions.

Source: Southcentral Foundation

## REFERENCES

1. Gottlieb, K. (2013). "The Nuka System of Care: improving health through ownership and relationships." *International Journal of Circumpolar Health*, 72.
2. Ibid.