

WHITE PAPER

Change-Capable Leadership

The Real Power Propelling Successful Change



By: Shannon Muhly Bendixen, Michael Campbell, Corey Criswell, and Roland Smith





Contents

The Big Idea	1
Introduction	2
Focus on Capability	3
Key Business Challenges	4
Change-Capable Leadership	10
The Nine Change Competencies	11
What Happened in the Two Change Stories	16
Be a Change Capable Leader	17
About This Research	18
Endnotes	20
About the Authors	21



The Big Idea

If you could ask 275 senior executive leaders about how to lead change, what would they have to say? What if they talked about the most important factors for success, what you should do more of, do less of, or avoid all together? What if their experiences could help you lead change in your organization and provide an early warning system to avoid failure?

Do we have your attention?

If you are a leader facing complex business challenges in your organization that require changes in the way people have always done things, we offer the following insights from the senior executives we asked about their experiences in leading change:

1. **Change yourself.** Leading change successfully means spending time outside of your comfort zone. As the individual leading an initiative you must change your mindset, actions, and behaviors.
2. **Don't go it alone.** Leading change is a team activity. People come together driven by a compelling, and frequently communicated, message about why we are changing.
3. **Know the signs.** Recognize the early warning signs that indicate an initiative is starting to derail.



Introduction

When you ask senior leaders to describe the key business challenges they are facing within their organizations you tend to find the same few challenges repeated. These challenges often deal with having the right talent, improving operational efficiency, spurring innovation, and driving growth.ⁱ Regardless of your place in the organizational hierarchy, these challenges (or variations) probably sound familiar. Why is it that these issues emerge year after year? What is at the root of an organization's continual struggle to manage these challenges? One of the root causes is that they all require change—the need to move from an existing state to a new and different state. As it turns out, success in leading change is mixed and disappointing.ⁱⁱ

This is probably not a surprise. But why does it happen this way?

Imagine you've been asked to lead a major change in your organization. What would you do? What are the steps? What's the secret to leading, navigating, or executing a successful change initiative?

There are a number of change models available to guide you. Many of these models describe a similar process that includes making the case, creating the new future, getting it implemented, and keeping it going.ⁱⁱⁱ

If we have good models, then why is change so difficult? The easy and obvious reason is that a model can't capture the real-life unpredictability of change initiatives. When we went deeper into this reasoning, we found that leaders didn't know what to do or how to behave when leading change.

We wanted to know more about what leaders do when leading change,^{iv} and we refer to what leaders do as Change-Capable Leadership™.

What follows is not a change-management model. Instead, we focus on what leaders do when a change is successful and what leaders do when a change is unsuccessful. We asked 148 senior executive leaders about a change they successfully navigated in the past 12 to 18 months. They described the challenge they faced and what they believe contributed to the successful execution of that change. Their responses include the behaviors they displayed, the actions they took, and the mindsets they adopted. We also asked a different group of 127 executives about a change with an unsuccessful outcome within the past 12 to 18 months. They also described the challenges they faced and the behaviors they displayed. See the About This Research section for more details.



Focus on Capability

We are defining Change-Capable Leadership as the individual and collective actions, behaviors, and mindsets needed to lead change effectively. Our intent is not to discourage the use of change-management models. Models such as these are valuable and necessary tools. We are focusing on capability, however, because a good change-management model is not enough. Change-management models focus on what to do, or on the typical steps required in spearheading a change initiative. But organizational changes are rarely linear, almost always continuous,^v and are often numerous and simultaneous.

Change-Capable Leadership is about how to behave while doing the work of change. It is about how to forge a common direction around change, and how to align people and resources toward that change direction. Perhaps most importantly, it is about how to build the collective commitment (often referred to as buy-in) to making the change effort successful.^{vi}

Our findings on Change-Capable Leadership are in line with what underlies most research-based change management theories, which is a focus on both *process* and *people*.^{vii}

By *process*, we mean managing the change like a project. This involves making the case for change, creating a plan, identifying action steps, and monitoring progress. A *process* focus is logical, linear, and emphasizes changes in systems and structures.

By *people*, we mean understanding that nothing really changes unless people change. Influencing others, communicating a vision, listening, including others, and guiding others through the emotions of change are critical for success. The *people* side of change is messier, can't be planned, and leads to changes in beliefs, behaviors, and organizational culture.^{viii}

We focus on the specific behaviors described by senior leaders related to both the *process* and the *people* side of change. We also describe an element that is often missing in change management models, but is perhaps the most critical for leading successful change: a focus on the mindsets and intentionality of the person leading the change.

In this paper we describe Change-Capable Leadership in terms of

- ▶ **Nine Change Competencies**—areas that when done effectively support a successful change effort
- ▶ **Three Change Traps**—warning signs that a change effort may be going down the wrong path
- ▶ **Two Change Derailers**—ways to almost guarantee a change effort will fail

Before we describe Change-Capable Leadership in detail, let's first be clear on the types of key business challenges described by the senior executive leaders we surveyed.



Key Business Challenges

Let's take a look at two challenges described by two different senior executive leaders (names have been changed to protect anonymity).

STORY 1: A New Initiative

As a corporate officer leading a key functional area in an energy sector company, David's assessment was that processes were too paper-intensive and that employees were reactive to customer needs rather than proactive at seeking out new opportunities. He wanted to create an environment that was strategic by improving systems to leverage market knowledge. He then wanted to use that knowledge to work collaboratively with customers and anticipate their needs.

STORY 2: An Acquisition

As the president and chief executive officer of a successful bank, Amaya's organization acquired a check-cashing company with nearly 500 employees and 55 offices. It was a large strategic acquisition with much opportunity and risk. The acquisition would position the bank to create an innovative business model that could change the industry. Amaya wanted to integrate the two organizations by having the senior management teams work together and take the best from each company's culture.

These stories are representative of the types of complex change efforts underlying the key business challenges described to us by these senior leaders. One of these efforts was successful, the other unsuccessful. Can you tell which is which?



Successful Change Efforts

We were interested in the types of change these leaders successfully led and the context of the change. Were these changes part of a larger strategy? Or, did the need to change emerge out of some unexpected circumstance? Leaders described more examples of planned change than emergent change.

Planned changes are deliberate decisions to change based on an existing or future need of strategic importance. Examples of planned changes included:

Establishing or updating an internal organizational process to address a change in regulations, to increase operational efficiencies, to reduce costs, or to respond to market conditions

“Changing the way our organization does business so that it can successfully compete in a changing healthcare environment. Gradual change through the late 1990s and 2000s in how pharmaceutical companies compete, in what decision makers demand, and in innovations to address these demands by our competitors. More recently, change has been accelerated as governments restructure the way healthcare is provided and funded in their respective societies.”

– Vice President & Chief Medical Officer, Pharmaceutical Company

Expansion into new markets, new regions, increasing market share, or establishing new partnerships

“Transformation of the Finance and Operations organization in order to lay the foundation for future growth. Transformation included business strategy, operating model, processes, structure, and people. Market share of the company in the Americas is around 5% while the markets in Europe and Asia are starting to saturate.”

– Chief Executive Officer & Chief Operations Officer, Technology Company

Restructuring groups, operations, and functions, mergers and acquisitions

“As a result of a new direction and focus within our organization, I reorganized and realigned the people within the second largest group of the organization. This was a major change initiative. The organization had a fairly singular focus for a number of years and the decision was made to diversify. This required a major shift in roles, responsibilities, and focus.”

– Senior Vice President & Chief Legal Officer, Trade Association

Emergent changes were the result of reactions to unplanned or unexpected circumstances, often due to external forces or a crisis. Examples of emergent changes included:

The global economic slowdown created emergent changes such as low cash and limited access to credit, the loss of a major client or the cancellation of new work, requirements to reduce costs, and the renegotiation of labor contracts.

“Negotiating a two-year collective agreement with the union in these economically challenging times when expectations were high for big gains. The current economic downturn resulted in a 35% drop in revenues.”

– Executive Vice President & Chief Operating Officer, Tourism Company

“A plant with a significant debt burden and forward projections indicated that cash flow would not cover debt service within 18 months. Insolvency was certain without intervention.”

– Managing Director, Energy Company

“How to grow the company after the loss of our biggest client representing up to 30% of our annual revenue. It was a major challenge that affected the whole company from a revenue, profit, and bonus perspective. Additionally, it created uncertainty about job security, especially with the team dedicated to that client.”

– President, Marketing Company

The sudden departure of a senior leader, being placed in a new role, or an unexpected tragedy.

“Our COO left and a new CEO and new COO were appointed. The new CEO and the chairman and founder decided to take advantage of the change to force the company to change from familiar structures to a new matrix that supports market verticals and key business trends.”

– Vice President, Marketing & Sales Company

“I joined a company in tough financial shape and was hired to return it to profitability. We had the wrong product, we had alienated our customer, our marketing was wrong, and my team’s spirits were beaten down.”

– President, Apparel Company



Unsuccessful Change Efforts

Discussing an unsuccessful change effort is typically not a favorite topic for senior leaders. We asked anyway. Three interesting patterns emerged from analyzing these stories.

The first is that there was no discernible difference in the types of change efforts described as unsuccessful compared to those described as successful. The unsuccessful change efforts were also planned and emergent. There were very similar initiatives, within both successful and unsuccessful change efforts, to improve processes, expand markets, restructure, merge or acquire, and respond to the global financial crisis. Remember the two stories? The type of change effort does not appear to determine whether it is successful or unsuccessful.

The second pattern is that leaders name similar reasons for why the change efforts were unsuccessful. While the reasons may appear obvious in hindsight, they are presented here as an early warning system, at the organizational level, for evaluating your change effort.



ORGANIZATIONAL WARNING SIGN NO. 1: Lack of Commitment at Multiple Levels

For many leaders, the change effort never had traction in the organization. There was a lack of urgency,^{ix} support, or effort toward the change. Table 1 describes organizational warning signs for three levels: Superiors or Board, Peers, and Direct Reports.

TABLE 1
ORGANIZATIONAL WARNING SIGNS FOR LACK OF COMMITMENT

SUPERIORS OR BOARD

- No visible support
- Taking no personal accountability
- Indecision to act
- Reacting to a symptom and not the core issue
- Less likely to notice or engage in current issues because of previous successes
- Not committing sufficient resources

PEERS

- Not wanting to give up control
- Privately saying change is needed, but publicly not taking action
- Expressing displeasure
- Voicing negativity
- Conveying frustration
- Giving up

DIRECT REPORTS

- Feeling like the challenge is too big to be fixed
- Taking things personally
- Going back to old ways when implementation becomes difficult



ORGANIZATIONAL WARNING SIGN NO. 2: **Poor Decision Making and Planning at the Beginning of an Effort**

From inaccurate initial assessments and forecasts to misjudging the complexity of the challenge, many senior leaders described how poor decisions and a lack of diligence at the beginning of the change resulted in an unsuccessful outcome. Because of poor decision making and planning, these organizations ended up committing too many resources. Their efforts were spread too thin and lacked the talent needed to execute the change.

“We had emerging requirements that we could not fund out of our appropriated budget and the initial estimate was too low. I did not initiate early enough and work with peers to get better quality input.”

- Director for Operations, Aerospace & Defense Company



ORGANIZATIONAL WARNING SIGN NO. 3: **The Counterproductive Leader**

The counterproductive attitudes and actions of a person in a position of power can doom a change effort. Research has found that three of the most common reasons people resist change is they don't like change in general, they don't like this change, and/or they don't like you.^x

For example, some of the leaders described situations where they had to step in and clean up a change they inherited from the destructive and toxic leader before them. These leaders knew that to lead a successful change effort they needed to understand what they were stepping into to avoid making the same mistakes the leader before them made. Examples from the leaders in our sample included

having to step into a role where a previous leader created the challenge and now the new leader is left to clean up the mess

having to step in when the leader in place is too tactical and turnover is high

having to step in after a leader who had a high need to control the executive team

Back to Our Two Change Stories

Now that we have shared more about the changes experienced by these senior executive leaders, can you tell from the description of the two change efforts which one was successful and which one was unsuccessful?

To determine the difference we need to understand what leaders do. We need to understand Change-Capable Leadership.

Change-Capable Leadership

We wanted to know what leaders do when they are successful in leading change, and what they do when they are unsuccessful. We asked them about the behaviors they displayed while leading the change, what worked and how they adapted (or didn't adapt) their approach. Through our analysis of their responses, we identified nine competencies (sets of behaviors and actions) describing what leaders do when change is successful and three behavioral traps leaders should avoid. We also identified two change derailers (sets of behaviors that lead to unsuccessful change).

Let's think about Change-Capable Leadership as a bicycle. Like a change, a bicycle is about forward movement. The wheels of this bicycle are what we call "Leading Process" and "Leading People." Leading Process is the front wheel of the bicycle. It controls the steering and direction. The front wheel represents a leader's ability to initiate, strategize, and execute change. The back wheel is Leading People. It provides the stability needed for the ups, downs, turns, and faster travel to the destination. This wheel represents a leader's ability to provide emotional support, a process of continual learning during the course of the change effort, and to influence stakeholders.

With these two wheels, the bicycle can move, just not very fast, very far, or very efficiently. It goes nowhere if it has to travel uphill, moves quickly depending on the slope of the downhill, and moves at a snail's pace when the terrain is flat. One of these three descriptions is probably how organizational change efforts have felt to you in the past. If you're lucky, you're on a downhill, and the change effort goes so smoothly that all you needed was one wheel. Most of the time it feels more like the other two scenarios: going nowhere, or working hard and making very little progress.

What's missing is a system for propulsion, and deliberate propulsion is the critical element of Change-Capable Leadership. Let's talk about the chain that connects the gear to the back wheel. The chain is the way a leader connects the change message with the motivations of people to build broad organizational commitment. The pedals turn the chain and represent how a leader must work with others to move forward. A bike requires two pedals to move forward in the same way leading change requires working in tandem with others. Imagine how hard it would be to move a bike forward with just one pedal! Lastly, who is riding the bike? The rider must commit to keeping the bike steady and balanced by adapting to the twists and turns of the journey. How hard and how fast the bike moves depends mostly on the mindset and determination of its rider.



The Nine Change Competencies

The nine change competencies are grouped into three categories. They are “Leading the Process,” “Leading People,” and what we call the “Three Cs of Change.” We start by describing the Three Cs of Change because they are at the heart of leading successful change.

The Three Cs of Change: Propelling Successful Change

Through our analysis, three themes emerged most frequently from the behaviors and actions described by these leaders, suggesting they are critical to leading successful change. We refer to them as the Three Cs of Change: Communicate, Collaborate, and Commit. The descriptions of these particular competencies revealed intentionality behind these leaders’ ambitions and a purposeful focus on mindset. This cluster represents the glue for all change efforts, holding together the process and the ways a leader connects with others.



COMMUNICATE

Knowing what to say and how to say it to build and sustain commitment to the change

While unsuccessful leaders had a tendency to focus on the what behind the change, successful leaders focused on communicating the what and the why behind the change. The why is critical and focuses on the purpose behind the change effort. Leaders who connected the change to the values of the organization or explained the benefits behind the change were more successful at achieving buy-in and creating a sense of urgency, both of which contribute to successful change outcomes. They determined the most important message, shared it more widely, more frequently, and with candor.^{xi}



COLLABORATE

Bringing people together to plan and execute the change

Leaders of successful change built teams, worked across boundaries, and encouraged employees to take on responsibilities and tackle challenges. They also encouraged employees to break out of their individual silos, refused to tolerate competition, and included their employees in creating solutions and ideas on implementing the change. These leaders included employees early on in the decision-making process, and described employees as having a high level of buy-in and can-do attitudes. Leaders of unsuccessful change lamented that they didn’t include employees early or often enough in the initial stages of the change effort.^{xii}



COMMIT

Changing yourself in service of the change goal

Changing yourself means recognizing when your beliefs, approaches, and behaviors need to shift based on the effort you are leading. One of the frequently mentioned approaches shared by leaders of successful change was displaying a positive attitude and enthusiasm toward the change. These leaders were resilient, didn’t give up in the face of adversity or opposition, and stepped out of their comfort zone. They became role models to the rest of the organization with their ambition, efficiency, and positive mindset. These leaders also devoted more time to the change effort and focused on the big picture rather than the day-to-day needs. On the other hand, leaders of unsuccessful change didn’t adapt and instead expressed negativity and were impatient with a lack of results.^{xiii}

Leading the Process: Steering Change in the Right Direction

This set of change competencies helps leaders guide the change process from beginning to end. There are three broad stages of a change-management process. They are initiation, planning, and implementation. Senior executive leaders described similar sets of behaviors and actions they found important at each of these three stages: initiate, strategize, and execute.



INITIATE

Creating the case for change

Leaders of successful change made the case for change through evaluating the business context, understanding the purpose of the change, developing a clear vision and desired outcome, and identifying a common goal to achieve. While leaders of unsuccessful change also described these same processes at the beginning of a change, they acknowledged they didn't focus on them enough or to the degree needed and failed to achieve a common understanding of the goal, which inevitably started the change off on the wrong foot.



STRATEGIZE

Developing the change plan

Leaders of successful change developed a strategy and clear action plan that included priorities, timelines, tasks, structures, behaviors, and resources. During the development of the change plan, these leaders also defined what the change would not include. Defining what doesn't change is important because questions about what stays the same will inevitably surface. Leaders of unsuccessful change admitted to not listening enough to concerns or questions, as well as not defining success up front, which hampered progress and talent retention.



EXECUTE

Implementing and monitoring the change plan

Leaders of successful change translated the strategy into execution. Leaders focused on the importance of getting key players into key positions and, if needed, removing people impeding the change. They also focused on making sure roles and responsibilities were understood and people were held accountable. Additionally, they broke massive projects into chunks to get small wins early and build momentum. Lastly, these leaders established metrics for success and created systems for monitoring progress. Conversely, leaders of unsuccessful change got mired in the details of implementation at various points. They began micromanaging or became too aggressive in pushing the business forward, which did not allow time to step back and see the bigger picture.

Leading People: Providing Stability and Speed

While the process side of change is well understood, leaders tend to neglect the people side of change. This set of change competencies describes leader behaviors that engage people throughout the change: support, sway, and learn.



SUPPORT

Removing barriers so employees may engage in the change

Leaders of successful change described different types of barriers they had to help employees overcome while leading the change. These leaders focused on personal and professional barriers their employees experienced. Personal barriers included emotional reactions to change such as wounded egos and a sense of loss. These leaders made themselves available to those affected by the change. They listened to understand and coached employees through their reactions. Removing professional barriers included giving employees dedicated time and resources to work on the change, and reducing the amount of lower-priority work. Leaders of unsuccessful changes focused exclusively on results.



SWAY

Influencing specific key stakeholders or groups to gain their support and involvement

Leaders of successful change influenced specific and important stakeholders and groups to commit to the change process. Stakeholders included the board, C-suite executives, clients, functional heads, and employees. The approach these leaders used to sway involved telling employees stories about the big picture, and how the change would positively impact the industry and people's lives. Leaders of unsuccessful changes were more likely to avoid certain stakeholders rather than actively seek to influence them.



LEARN

Gathering and using feedback to improve the approach to change

Leaders of successful change asked a lot of questions, early and often, from a wider variety of stakeholders than did the leaders of unsuccessful change. They asked stakeholders about the competencies and skills required to keep pace with the change in the future. As these leaders gathered formal and informal feedback they continually made adjustments during all phases of the change. Asking questions helped employees feel included in the process, which increased the quality of the information received and the engagement of employees. Employees wanted to feel that change was done with them rather than to them.^{xiv} Leaders of unsuccessful change, however, didn't question approaches, weren't aggressive early enough in the change process, and didn't take the time to gather accurate information. As a result, they didn't know what actions to take.

THE THREE CHANGE TRAPS

Warning signs that a change effort may be going down the wrong path

The three Change Traps represent the pitfalls leaders of successful change avoided, and those that tripped up the leaders of unsuccessful change.

CHANGE TRAP NO. 1: Passive Leading

Are you being too passive?

Leaders of unsuccessful change described making assumptions, being too hands off, delegating too much, and being indecisive. These leaders became frustrated and, as a result, avoided others, didn't address certain issues, and stopped communicating with important stakeholders about the change. Leaders must find a balance between exerting too much control over the process and giving the change effort too little attention.

"I have probably kept more distance from this problem lately . . . and I have avoided these peers and have less contact with them."

– Vice President, Manufacturing Company

CHANGE TRAP NO. 2: Leading in Isolation

Are you going it alone?

Leaders of unsuccessful change described the competitive nature that came out in themselves and others during the planning and implementation stage. This competitiveness led to a position of us versus them. This behavior led to assigning blame and fault to others. These leaders also described being too authoritative, ignoring the needs of employees, imposing their views, or controlling how people worked together by refusing to get out of silos to collaborate with others.

"I held firmly to my own beliefs for a long time without actively listening to the input [and] insight of others."

– Senior Vice President, Communications Company

CHANGE TRAP NO. 3: Focusing on the Small Stuff

Where is your attention and focus?

Leaders of unsuccessful change focused on day-to-day details and operational processes outside of the scope of the change. These leaders focused on the outcome or *what* of the change without also focusing on the process and *why* of the change.^{xv}

"I was too much into the details, not allowing me to step back for a big picture perspective."

– President and Chief Executive Officer, Real Estate Company

THE TWO CHANGE DERAILERS

Ways to guarantee a change effort will fail

Leaders of unsuccessful change described two emotional responses—negativity and disengagement—that leaders of successful change did not describe. In every instance when a leader described feeling negative or disengaged, he or she also described a failed change initiative with lasting consequences on the people and the organizational culture.

What are you feeling?

CHANGE DERAILER NO. 1: Negativity

Leaders of unsuccessful change were pessimistic about the change and described feeling impatient, angry, frustrated, and distrustful. These emotions became apparent to those around the leader and led to conflict, aggression, and other negative behaviors. While it is common for people to feel negative emotions during a change process, leaders of unsuccessful change lost perspective on the benefits of the change and allowed these emotions to damage relationships.

“I became angry at my boss, which affected our relationship and undermined our communication, a critical success factor for getting through crisis.”

– General Manager, Technology Consulting Company

CHANGE DERAILER NO. 2: Disengagement

Leaders of unsuccessful change often described giving up or disengaging from the change initiative. They avoided responsibility, withheld their input, and stopped raising issues. As they disengaged, these leaders ignored problems, played it safe with superiors, and stopped promoting the change.

“I tried to collaborate initially, and assumed that would be reciprocated. When it was not, I withdrew and began to ignore the problem. I encouraged my team to work around it; however, it [became] too big of an issue to ignore.”

– Vice President, Agricultural Company

What Happened in the Two Change Stories

So which change effort was successful and which was unsuccessful? Did the new initiative lead to greater efficiencies and happier clients? Did the acquisition collapse under the weight of two different cultures?

Here is what these leaders shared in their own words:

The New Initiative

“Although I did enable the use of the new technology, and some people came on board, the initiative did not get traction. The employees had great difficulty seeing my vision and adapting to it. Even my direct reports did not fully embrace (the change); they simply couldn’t see the benefits and I was unable to spell out the step-to-step process to get us there. Also, I was unable to get full executive team support. [The executive team] would agree to the concept, but when it came right down to it, they still wanted to call the shots, not having trust that my employees could deliver.”

The Acquisition

“I worked hard to keep people focused on the purpose of the acquisition, and I focused on how the acquisition aligned with the core values of both organizations. It was important to help the employees understand that they were part of something that would make a big and significant positive difference in many people’s lives. We over communicated through face-to-face meetings with both employee teams, as well as in writing. We successfully accomplished [bringing the cultures together] and have retained the vast majority of the employees (even senior management) from both organizations.”

These stories exemplify what we learned by tapping into the wisdom of people leading real changes with real consequences. Senior leaders experience similar challenges and must lead various types of change efforts. While each change effort has its own unique circumstances, there is a pattern to how leaders of successful and unsuccessful change think and behave while doing the work of change.

3 CHANGE TRAPS SUCCESSFUL LEADERS AVOID



Recognize these warning signs so your change effort thrives.

PASSIVE LEADING

- Being too hands-off
- Making assumptions
- Delegating too much
- Being indecisive

LEADING IN ISOLATION

- Assigning blame
- Ignoring needs of employees
- Imposing their views
- Micromanaging

FOCUSING ON THE SMALL STUFF

- Focusing on unrelated work
- Ignoring the process of change
- Losing sight of the intended outcome

2 CHANGE DERAILERS SUCCESSFUL LEADERS AVOID



Ways to guarantee your change effort will fail

NEGATIVITY

- Being pessimistic
- Showing impatience & anger
- Feeling frustration & distrust
- Causing conflict
- Damaging relationships

DISENGAGEMENT

- Giving up on the change initiative
- Avoiding responsibility
- Withholding input
- Ignoring problems



Be a Change-Capable Leader

So what can you do to become a more change-capable leader? Think about a change you are currently leading. Consider how those around you would answer the key questions below. If you're not leading a change at the moment, reflect on a past experience you had leading change.

Table 2

	KEY QUESTION: WOULD OTHERS SAY . . .	YOUR THOUGHTS
CHANGE COMPETENCIES		
COMMUNICATE	You frequently communicate why this change is important? They clearly understand why we are changing and the benefits?	
COLLABORATE	You include others early on in decision making? They feel part of the solution?	
COMMIT	You are role-modeling resilience and enthusiasm? They see a difference in your approach and behaviors?	
CHANGE TRAPS		
PASSIVE LEADING	You are indecisive or avoiding key stakeholders? They are confused or unclear about whether or not this change is important to you?	
LEADING IN ISOLATION	You are trying to win by beating others? They feel blamed or at fault for a lack of progress?	
FOCUSING ON THE SMALL STUFF	You are overwhelmed at work? They don't have enough time to work on the change?	
CHANGE DERAILERS		
NEGATIVITY	You are angry and frustrated about this initiative? They no longer have a good working relationship with you?	
DISENGAGEMENT	You have given up? They think the change is doomed to fail?	



About This Research

The sample consisted of 275 top executives who participated in a senior leadership program at the Center for Creative Leadership (CCL®). This leadership development program, titled Leadership at the Peak, specifically targets top executives with more than 15 years of management experience, leadership responsibility for 500 or more people, and decision-making authority as members of the top management teams.

The mean age of the 275 interviewees was 49 years ($SD = 5.9$), with 221 being male and 54 being female. The majority (189) were Caucasian; with the remaining interviewees identifying as Other (69), African American (10), Asian (4), or Hispanic (3). In terms of their organizational level, 139 were in the executive category, 97 identified as tops, 9 identified as upper middles, and 30 did not answer. The majority of participants (206) were in the business sector, with the remaining 67 coming from the public sector. For a demographic comparison, see Table 3 on the next page.

Participants agreed to respond to research questions administered through an Internet survey and completed during the program. Out of the 275 participants, 148 described a successful challenge they experienced and the behaviors they did more of and less of during that time. The remaining 127 participants reflected on an unsuccessful challenge they experienced and the behaviors they did more of or less of during that time.

CCL is guided by the American Psychological Association's code of ethics regarding the use of an individual's personal data for research. This code is particularly concerned with protecting the rights of the person. Participants were made aware of what the purposes and uses of the research were and had the option to participate or not. They could quit at any time after beginning and could decide to have their information destroyed any time after completing any survey.

After responding to the research questions on experiences of navigating challenges, the participants' responses were stored in a secure database. Verbatim comments were uploaded into qualitative analysis software called NVIVO 10 (2012). Each challenge was then content-analyzed and thematically grouped by two separate experienced coders. Each coder analyzed the comments from the 275 participants separately to identify general themes in the data. The coders then met and discussed the similarities and differences in the results of their individual coding processes. A final set of codes were established, the responses were independently coded, analyzed by the authors, and the resulting themes are presented in this white paper.

Table 3

DEMOGRAPHICS	UNSUCCESSFUL SAMPLE N = 127	SUCCESSFUL SAMPLE N = 148
ORGANIZATIONAL LEVEL	Tops = 43 Executives = 74 Upper Middles = 2	Tops = 54 Executives = 65 Upper Middles = 7
GENDER	Women = 26 Men = 101	Women = 23 Men = 120
AVERAGE AGE	49.1	49.0
RACE/ETHNICITY	Caucasian = 92 Other = 26 African American = 4 Hispanic = 2 NA = 3 Multiracial = 1	Caucasian = 97 Other = 49 African American = 6 Hispanic = 1 Asian = 4
ORGANIZATIONAL SECTOR	Public = 29 Business = 96	Public = 38 Business = 110

Endnotes

- ⁱ For findings and analysis on senior executive challenges see The Conference Board research series CEO Challenge[®] (<https://www.conference-board.org/ceo-challenge2016/>), or Smith, R. and Campbell, M. (2010). C-suite challenges and the economic meltdown: What's next for senior leaders? *People & Strategy*, 33, 22–30.
- ⁱⁱ For research on change success rates, see Michael Beer and Nitin Nohria, “Cracking the Code of Change,” *Harvard Business Review*, May–June 2000 Issue (<https://hbr.org/2000/05/cracking-the-code-of-change>); Scott Keller and Carolyn Aikens, “The Inconvenient Truth about Change Management: Why It Isn’t Working and What do Do About It,” McKinsey & Company report, 2008 (<http://www.aascu.org/corporatepartnership/McKinseyReport2.pdf>).
- ⁱⁱⁱ Some of the more popular change management models include: John Kotter’s eight steps to transforming your organization in “Leading Change: Why Transformation Efforts Fail,” *Harvard Business Review*, January 2007 Issue; the ADKAR[®] model from ProSci[®] (<http://www.aascu.org/corporatepartnership/McKinseyReport2.pdf>); Kurt Lewin’s three phases of unfreeze, change, refreeze.
- ^{iv} Malcolm Higgs and Deborah Rowland produced foundational work on developing leadership capability to increase successful change and a model for change leader competence. See the articles: Higgs, M. & Rowland, D. (2000). Building change leadership capability: The quest for change competence. *Journal of Change Management*, (1), 2, 116–130. Higgs, M. & Rowland, D. (2001). Developing change leaders: Assessing the impact of a development programme. *Journal of Change Management*, (2), 1, 47–64.
- ^v See *Leading Continuous Change: Navigating Churn in the Real World* by Bill Pasmore
- ^{vi} For more information on how CCL defines leadership see *Direction, Alignment, Commitment: Achieving Better Results Through Leadership* by Cynthia McCauley and Lynn Fick-Cooper.
- ^{vii} See Leppitt, N. (June 2006). Challenging the code of change: Part 1. Praxis does not make perfect. *Journal of Change Management*, (6), 2, 121–142. ; Leppitt, N. (September 2006). Challenging the code of change: Part 2. Crossing the rubicon: Extending the integration of change. *Journal of Change Management*, (6), 3, 235–256.
- ^{viii} For a discussion on the people side of leading change see the CCL White Paper “Navigating Change: A Leader’s Role (<http://insights.ccl.org/wp-content/uploads/2015/02/navigating-change-white-paper.pdf>).
- ^{ix} The first step in John Kotter’s change model is “create a sense of urgency.” For more see Kotter’s book *Accelerate: Building Strategic Agility for a Faster-Moving World*.
- ^x Oreg, S. & Sverdluk, N. (2011). Ambivalence toward imposed change: The conflict between dispositional resistance to change and the orientation toward the change agent. *Journal of Applied Psychology*, 96, 2, 337–349. In this article, the authors also state that a change agent can be perceived as a person, a group (such as management) or even the entire organization. For additional insight on employee reactions to change see the white paper “Change Comes at a Cumulative Cost: Make it Worth the Investment!” by Kristin Cullen-Lester and Bryan Edwards (<http://insights.ccl.org/articles/white-papers/change-comes-at-a-cumulative-cost/>).
- ^{xi} The importance of communicating “why” is supported by different streams of research. For example, in *Influence: Science and Practice 5th edition*, Robert Cialdini describes a principle of human behavior that says when we ask someone to do us a favor we are more likely to be successful if we provide a reason. Simon Sinek popularized focusing on “why” with his book *Start with Why: How Great Leaders Inspire Everyone to Take Action* (<https://www.startwithwhy.com/>).
- ^{xii} The role of networks, i.e. how people connect to one another, is an important factor in leading successful change. In the HBR article “The Network Secrets of Great Change Agents,” Julie Battilana and Tiziana Casciaro found that change agents who were central in the organization’s informal network had a clear advantage leading change, regardless of their position in the formal hierarchy (<https://hbr.org/2013/07/the-network-secrets-of-great-change-agents>). John Kotter also acknowledges the role networks play in change work in his book *Accelerate: Building Strategic Agility for a Faster-Moving World*.
- ^{xiii} The ability to change yourself in service of the change goal is about a leader’s personal readiness to lead change. In *Transforming Your Leadership Culture*, John McGuire and Gary Rhodes define personal readiness to lead large scale change as “intentionality” (clarity about the vision, aspirations, and motivations to be an intentional guide of change), “control source” (loosen your own need for control and extend control to others), and “time sense” (seeing time as a resource and not a constraint; not forcing change to happen too quickly).
- ^{xiv} Try this activity from ExperiencePoint (<http://www.experiencepoint.com>), ask an audience to finish this sentence, “Change done to us feels like . . .” Then have the audience finish this sentence, “Change done by us feels like . . .” This has been done with multiple groups and the responses are strikingly similar.
- ^{xv} For an example of how Airbnb’s CEO Brian Chesky stays focused on the big picture, see the *Fortune* magazine article, “The Education of Airbnb’s Brian Chesky” (<http://fortune.com/brian-chesky-airbnb/>).

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About the Authors

Shannon Muhly Bendixen is a faculty member at the Center for Creative Leadership's (CCL®) Colorado Springs campus. She is the lead researcher on understanding what is unique in regards to senior executive teams and what makes them most effective. She also manages the Ideas2Action project, which generates fresh ideas and identifies new trends from the thousands of leaders who attend CCL's open-enrollment programs each year. She explores new ways to respond to the unique demands of women in leadership roles and uncovers insights to help leaders become more effective.

Michael Campbell is a senior faculty member at CCL, and serves clients through facilitation, training, design, and research. He has developed solutions on topics such as leading change, talent and succession management, learning agility, resilience, building trust, and team effectiveness, and he has worked with high-potential leaders as well as senior executive leadership. He previously served as portfolio manager for CCL's open-enrollment program, Navigating Change.

Corey Criswell is a former senior faculty member at CCL's Colorado Springs campus. Engaged in both facilitation and research, Corey's work focused on such topics as executive presence, vision, lessons of experience, and the challenges of senior executive leadership. Through research, design, and facilitation, she worked with and supported clients representing manufacturing, banking, media, Olympic sport, national associations, law firms, and professional services organizations.

Roland Smith, PhD, is a senior vice president and managing director of CCL's Asia Pacific region. Roland guides CCL's regional strategy and operations in Asia Pacific with three offices in Singapore, India, and China. This includes an array of highly rated leadership development programs, organizational leadership solutions, and an extensive research agenda as well as several organizational change and transformational initiatives. He is also responsible in building strong alliances with institutions throughout Asia Pacific in the field and practice of leadership.

To learn more about this topic or the Center for Creative Leadership's programs and products, please contact our Client Services team.

+1 800 780 1031 +1 336 545 2810 info@ccl.org



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CCL - Americas

www.ccl.org

+1 800 780 1031 (US or Canada)

+1 336 545 2810 (Worldwide)

info@ccl.org

Greensboro, North Carolina

+1 336 545 2810

Colorado Springs, Colorado

+1 719 633 3891

San Diego, California

+1 858 638 8000

CCL - Europe, Middle East, Africa

www.ccl.org/emea

Brussels, Belgium

+32 (0) 2 679 09 10

ccl.emea@ccl.org

Addis Ababa, Ethiopia

+251 118 957086

LBB.Africa@ccl.org

Johannesburg, South Africa

+27 (11) 783 4963

southafrica.office@ccl.org

Moscow, Russia

+7 495 662 31 39

ccl.cis@ccl.org

CCL - Asia Pacific

www.ccl.org/apac

Singapore

+65 6854 6000

ccl.apac@ccl.org

Gurgaon, India

+91 124 676 9200

cclindia@ccl.org

Shanghai, China

+86 21 6881 6683

ccl.china@ccl.org

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Ft. Belvoir, Virginia • Kettering, Ohio • Huntsville, Alabama • San Diego, California • St. Petersburg, Florida
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