CASE STUDY

Growing Pains or Growing's a Pain?

Robin Bishop
Gonzaga University

Eight months after being promoted to a newly minted communications director position Molly Sublette sat at the large conference table across from RG Outsourcing's CFO, two executive vice presidents, and the HR director. From the top of a pile of a dozen or so manila envelopes, the CFO pulled what equated to Molly's walking papers while informing her of the executive team's decision to restructure the organization cutting many middle-management positions in order to expedite better profit margins. She was one of the casualties. While each person took their turn telling Molly what a valuable asset she had been and other things she didn't really hear, Molly's brain was ticking through the large list of projects on her whiteboard that she was being forcibly divorced from.

Being in marketing and communications Molly knew her neck was always on the line, and this wasn't the first time corporate cutbacks had found her. This one landed , however, more like a sucker punch than her previous career entanglements. A few days prior, the president of the company (her immediate supervisor) had been sitting in her office asking her opinion of the recent annual director-level strategy and sales meeting. He had noticed she had not engaged as much as she normally would and wanted her take on the two-day event.

Having worked with the company for over two years and building a relaxed and conversational relationship with her boss, she knew she needed to honestly inform him that his and another senior level executive's actions were the cause of her disengagement. She also knew; however, this could be professional suicide. Knowing these incidences were just a larger indication to cultural and leadership issues within the organization, Molly nervously let her boss know that a new VP's antiquated and somewhat sexist behavior prior to an annual sales meeting and his own unprofessional and immature actions toward her and her department during that same meeting made her wonder if they respected her knowledge and her entire purpose in the organization.

While the senior executive took the news humbly and seemed genuinely surprised, Molly immediately knew this was the "say what she needs to hear" response, typical of his leadership. Her boss admonished her for not holding both he and the other executive accountable that very day and assured her it was not meant to be insulting. However, the half dozen people that had approached her after witnessing the occurrences, made her realize it was way out of line. As was the typical modus operandi for this organization, excuses were made, but no apologies were ever extended and no public recognition to address the issue was every brought up.

These examples are an indictment against a complex, systemic cultural issue subtly infecting every rank within the organization. Not having the power or influence to address issues at such a deep level, Molly might have affected change within her own area of responsibility and in her own change initiative that could have been a light for the rest of the organization.

LEADERSHIP – Molly's Perspective

In the wake of this extremely vulnerable conversation, Molly reflected on her observations of the RG Outsourcing executive leadership team. Within in a few months of being hired as a technical writer with RG, Molly realized this leadership team had a huge disconnect between what they practiced and what they preached. It suffered from one of Kotter's reasons for transformational failure, "Not removing obstacles to the new vision," (Kotter, 1995, p.64).

The CEO, COO, and CFO had all been with the company between 15 to 20 years and preached the message of employee ownership, empowerment, and innovation. They wanted Molly to help them refine and "sell" this message internally, but Molly soon learned once she was promoted to a director level position, the culture of the organization was used more to encourage better productivity levels than truly empowering its owners to own what they did on a daily basis.

Each of the three leaders had divergent personalities, engagement styles, and motives for achieving what they deemed strategic goals for profitability. The CFO had been around the longest and was of a socially distant, militant mentality. Molly had actually been told by the president of the company that he believed you whip the horse until it gives out, shoot it, and find a fresh one. He reasoned that this was what motivated him to agree with whatever was said in the executive leadership meetings even though he did what he wanted regardless, avoiding conflict was easier.

This speaks to his personality type. The COO/President wanted everyone to like him and would say and do just about anything to achieve the "fatherly" image within

the organization. While he did achieve this, he was also known for flying off the handle, "forgetting" promises he had made, and approving initiatives while never really supporting them.

The CFO was a technician. She had a group of women leaders that she called her lieutenants that kept her informed and that she liked to think she mentored. However, her image among the rest of the organization had been explained to Molly at one point as a "parade wave monarch."

ORGANIZATION HISTORY & GROWTH

The organization transitioned to employee-ownership 20 years earlier when the founder retired and wanted her legacy to be recognizing and rewarding the people that help build the organization. Sadly, when the long-term CEO stepped in he brought with him his traditional organizational structure and beliefs which he then wove into the employee-ownership intention, absorbing it into more of an alternative retirement benefit.

RG Outsourcing had since undergone several waves of tremendous growth and had struggled to find the balance between meeting existing demand and innovating to stay ahead of the industry. They accomplished this with a ten-year double-digit profitability streak, but the past couple of years had shown low single digit to negative profitability due mainly to these growing pains. Onboarding of new clients and new staff to meet the growth came in major waves and made it difficult to create staffing targets that could be kept. Layoffs occurred as a result of ramping up and then experiencing setbacks and delays in the new client onboarding process.

Employee Perspective

This cyclical trend began to take its toll as hard-working employee owners were expected to wear multiple hats in order to fill the gaps and correct profitability while earning slightly lower wages than industry standard. This was the "culture" of employee-ownership. Everyone was expected to do what was right as employee-owners to do their part in keeping the organization profitable. This was a motivator for the staff as they were told they were shareholders who would receive dividends at the end of the year.

After years of loyalty and what some began to regard as being taken advantage of, reliable and long-standing employee-owners began to leave for work with RG's clients or competition who offered flexible hours, work-form-home opportunities, and better wages. As a result RG began losing key clients or failing to meet expectations of new clients. This widened the fissures that were starting to show in the employee-owned, "great-places to work" veneer while also ironically negatively impacting profitability.

INNOVATION

Right about the time Molly was asked to develop a new communications department and to take on management of marketing, the organization has just undergone another wave of layoffs, morale was suffering, and focus had been diverted to technical rather than internal initiatives. The right questions began to be asked, but the answers typically ran to the traditional training, new technology, and increased productivity remedies.

Having been an organization that had invested in proprietary software born from identifying gaps in client's own tools and how they integrated with the RG system, innovation was not a new concept for RG Outsourcing. However, innovation was still being geared toward technology, process, and productivity. Leadership a recent push to revive the employee-ownership "feelings" embracing Innovation as new passion in the company lexicon and launching a campaign to engage everyone. Molly was tasked with creating and distributing messaging (internally and externally) that would improve the image of the organization and spread a sense of energy pushing RG into the future.

In her new position Molly initiated interviews with supervisors, directors, and executives throughout the organization. With previous exposure to organizational change dynamics, she might have been able to better prepare for the undulation in support and outright opposition. Molly would have benefited from Cawsey's distinctions of individual power within an organization (Cawsey, 2016, p. 187). In all likelihood, she could easily identify those that held positional power, the power that comes with legitimate authority of the title and position which was strong within this culture. Identifying those with network power would have allowed insight from those that have large networks of influence within the organization. She did learn a lot from those with knowledge power, or those that were experts essential to the operational flow, but she would have really found gold identifying a few individuals with personality power, those with the ability to inspire trust and enthusiasm. In this organization, those were not the people at the top, but respected key individuals among the ranks.

As it was, Molly did learn a lot, but without some semblance of how to utilize the different power tactics to benefit the communication initiative favor dimmed as time passed and the conversations seemed forgotten. Everyone chalked it up to "lip service" which is what they called the forgotten promises that had become common place.

As Molly's reflections circled back around to the present she saw the writing on the wall. It seemed to her the entire purpose and intention for the new communication department had been back-burnered by senior leadership in their attempt to justify a new executive level hire that was costing the organization a lot of money during a time of low profitability. Within weeks of this derailment and days after her last conversation with her boss, she and a dozen other directors and supervisors were walked out of the building with boxes of their belongings and heads spinning full of questions about how they might have been able to prevent this from happening.

THROUGH THE LENS OF ORGANIZATIONAL CHANGE

ExperienceChange As A Core Principle

After reading through this scenario several other change management (CM) models have probably surfaced for you. You may have as many questions as Molly likely had as she exited the building on that fateful day. The ExperienceChange (ExperienceChange, n.d.) model would have been a solid foundation for Molly to engage a chosen group of the different power levels to determine which of a variety of CM models might strengthen and create momentum toward an alternative outcome.

While Molly was likely to have been very qualified and the organization had established the need for a new communications department, did Molly have clarity and

purpose in her initial engagement in the role. The department was created without consensus from the entire organization, but *how* was it to be accomplished?. "Any action plan for change needs to be rooted in a sophisticated understanding of how the organization works and what needs to be achieved. Since there are a variety of action paths available, how do you decide which to take?" (Cawsey, et al., 2016, p. 301).

In order to best prepare for change, an organization should be intentional in its approach and honest in its conversations. CM models and tools help facilitate clearly establishing a need for change (and a message to articulate the need), as well as establishing commitment and reducing resistance to a determined need. In his explanation of why organizational transformations fail, John Kotter states that the first reason accounts for more than 50% of change initiative failures with the second reason contributes to even more failures; 1) not establishing a great enough sense of urgency and 2) not creating a powerful enough guiding coalition (Kotter, 1995). "Without motivation, people won't help, and the effort goes nowhere. Compared with other steps in the change process phase [number] one can sound easy. It is not." (Kotter, p. 60).

The ExperienceChange (n.d.) model is an all-encompassing approach that is broken in to seven steps that fall into two main frames or segments of facilitating the change process. The first main segment of the ExperienceChange model contains three critical steps in the overall process (Change Theory, 2016, p. 3). This segment is called Align. It includes:

- **Understand** the need for change; addressing the rational "why"

- **Enlist** support of a core team of stakeholders to work on a solution and scale it

- **Envisage** the opportunities and implications of the new solution on the

  organization (p. 3)

While these descriptions are brief and broad, these three categories encompass

the most critical steps you will take in your change initiative and should not be rushed.

To fully understand, enlist, and envisage (or build the vision) might require the use of

several different change management models to gather data, validate feedback, and

build a clear picture of internal and external forces at work within the change initiative's

defined parameters.

When Molly was promoted and given the task of establishing a new

communications department, she automatically became a change agent within her

organization. In the new position she had an opportunity to interview executives,

business unit directors and supervisors, but did so without structure, plan, or assistance.

Molly was thrust into an "emergent change" situation which involved

incremental initiatives or adjustments to modify the culture of the organization, but

without the benefit of staff feedback or survey results to feed a strategy (Cawsey, et al,

2016, p. 302). Had she or the organization implemented an intentional change

management initiative, the tools available could have provided guidance and steps to

accomplishing much more authentic input and buy-in.

While Molly was under the impression she had executive champions, she could

have formalized this by establishing a core change team as the ExperienceChange model

recommends, acting as the official change agent, and procuring a formal executive

champion for the project. Enlisting support of an executive level champion and a core

team of stakeholders allows diversity in voice and viewpoint from across the organization and a loyal voice among senior leaders. It also helps drive the sense of urgency for your change initiative and creates a forward momentum that will be helpful when things start to drag out and energy wanes.

Tools for Change

Utilization of Prosci's ADKAR Model (Hiatt, 2006), Weisbord's 6 Box Model (Weisbord, 1977), or Lewin's 3 Step Model (Lewin, 1947) would be most applicable in this first segment of the ExperienceChange application. All of these models begin with identifying the need for change, establishing a team and change agent that will drive this sense of urgency, and creating a broader base for support of initiatives that might otherwise grow stale and lose momentum. Even Porter's 5 Forces (Porter, 1980) which focuses on external forces in order to create a snapshot of your organizational strengths, weaknesses, and its position in the marketplace would have assisted Molly's strategic planning and goal setting for the new department. It also would have helped her establish a clear need for the change that non-supportive executives might have believed in and a vision that illustrated the power and benefits of the change.

In her informal role as the change agent Molly did take the initiative to gain feedback, data, and input from all the departments and from a diverse group of individuals within the organization, but might have missed out on a chance to dive deeper in relationship, enriched dialogue, and determine exactly WHAT needed to change and why through utilizing the tools and models mentioned here.

The second phase of the ExperienceChange model is Engaging the Organization (ExperienceChange, n.d.). There are more steps in this segment and the complexities of timing and constant scanning of the stakeholders and positive and negative forces raise the stakes and risks of success. The steps in the Engage segment are:

- **Motivate** people by connecting at the emotional level around the "why" of the change

- **Communicate** the vision and mobilize stakeholders around 'how' to roll-out the solution

- **Act** by taking steps to align the organization (people, structures, process) with the new solution

- **Consolidate** by reinforcing which things are working and exploring which things are not (Change Theory, 2016, p. 9)

"Your implementation success will depend on the steps you take to help affected employees connect with the new strategic direction and understand their new role" (p. 9).

Change management tools or models appropriate to this segment of the ExperienceChange application might include McKinsey's 7 S Model (Peters, 1982), Lencioni's Organizational Health Model (Lencioni, 2012), and possibly HERI's Social Change Model (Komives & Wagner, 2009). All of these models step into more of a cultural health and social impact realm. This means they could have helped Molly and a core change team communicate the reasons and benefits of a new communications

department and enable the change management team to keep their thumb on the pulse of the responses to the change initiative.

Utilizing something like McKinsey's 7 S Model would provide a humanistic framework within which the core change team could diagnose issues, determine the health of intended goals within the organization, and discourage unintended consequences (Hoover, 2019). The 7 S Model includes Structure, Systems, Style, Strategy, Staff, and Skills, which all rotate around the central component of Shared Values. This model would have been highly effective in helping Molly and the team identify which of the S's were having issues and would guide them through steps to remedy balance.

SUMMARY

While the models highlighted in this case study are just a few tools in the organizational change toolbox, they help demonstrate the need for intentionality, self-knowledge, organizational knowledge, and a roadmap for working through a complex change initiative. I have also touched on benefits Molly might have seen from just engaging in knowing herself as a change agent within a complex and dysfunctional culture. While some of what happened to Molly nothing to do with the actual change initiative she was involved in, they were all indicators of culture, leadership style, communication and engagement within the organization. All of which is helpful when viewed through the lens of organizational change management.

References:

ExperienceChange (n.d.). ExperiencePoint. Retrieved from experiencechange.com

Cawsey, T.F, Deszca, G., Ingols, C. (2016) Organizational Change: An action-oriented toolkit. Los

      Angeles, CA. Sage

Kotter, J. P. (1995). Leading Change: Why Transformation Efforts Fail. (cover

      story). *Harvard Business Review*, *73*(2), 59–67. Retrieved from https://search-

      ebscohost-

      com.proxy.foley.gonzaga.edu/login.aspx?direct=true&db=bth&AN=9503281992

      &site=ehost-live

ExperiencePoint, Inc. (2016, June 2). Change theory. Retrieved from https://loot-

      f.experiencepoint.com/ec/v4.0.1/pdf/en/ExperienceChange_changeTheory_en.p

      df

Hiatt, J. (2006). ADKAR: A model for change in business, government and our

      community. Loveland, CO: Prosci Learning Center Publications.

Weisbord, M. (1977). Leader's guide to diagnosing your organization: A "six-box"

      learning exercise. Wynnewood, PA: Organization Research & Development.

Lewin, K. (1947). Frontiers in group dynamics: Concept, method and reality in social

      science; social equilibria and social change. Human Relations (1), 5-41.

Porter. M.E. (1980). Competitive strategy: Techniques for analyzing industries and

      competitors. New York, NY: The Free Press

Peters, T. & Waterman, R. (1982). In search of excellence: Lessons from America's best

      run companies. New York, NY: Harper & Row

Lencioni, P. (2012). The advantage: Why organizational health trumps everything else in

business. San Francisco, CA: JosseyBass.

Komives, S. R., & Wagner, W. (2009). Leadership for a better world: Understanding the

social change model of leadership development. San Francisco, CA: Jossey-Bass.