The ~~Art~~ Art of ~~Change~~ Change ~~Leadership~~ Leadership

Driving Transformation in a Fast-Paced World

Cheryl Cran

WILEY

Table of Contents

List of Illustrations

List of Tables

Praise for *The Art of Change Leadership*

"*The Art of Change Leadership: Driving Transformation in a Fast-Paced World*" by Cheryl Cran provides real-time ideas, strategies, and creative solutions for leaders to help drive innovation and change in the workplace."

> **— Tony Hsieh, *NY Times* bestselling author of *Delivering Happiness* and CEO of Zappos.com**

"In our rapid paced, information overloaded, and energy-deprived world, understanding the dynamics of change and human performance are essential leadership skills.

"In her fifth book, business change expert Cheryl Cran shares her much needed wisdom on how to apply your unique skills and stay ahead of the curve by leaping to (r)evolutionary change leadership!"

> **— Dr. Donald Epstein, founder of Epstein Institute; author, *Energetics of Extraordinary***

"The capacity to change is the new competitive advantage for businesses and individuals. Cheryl Cran powerfully shows how to be a change champion while leading others to do the same."

> **— John Izzo, author of *Stepping Up & Awakening Corporate Soul***

"Buy this book! *The Art of Change Leadership: Driving Transformation in a Fast Paced World* provides a roadmap for leaders and their teams to become more resilient, more agile, and more innovative, and as a result, more profitable. This book details ideas, strategies, and revolutionary plans to help your organization be *the* industry leader and gain a competitive advantage."

— Colleen Francis, president of Engage Selling and author of *Nonstop Sales Boom*

"Cheryl Cran's book, *The Art of Change Leadership: Driving Transformation In a Fast-Paced World* is a *must* read!

"The fast pace of change is impacting all industries and this book provides a road map to navigate and 'win.'"

— Peter Legge, CEO of Canada Wide Media, author of *The Runway of Life*

"Cheryl Cran's new book focuses on the ultimate tipping point of change, technology, and people, with a unique understanding of how each organizational member must assume full responsibility for not only appreciating this vital interface, but also leading the way—regardless of where in the traditional hierarchy that member happens to reside. Cheryl also provides numerous assessments and exercises to help members discover their special gifts for successfully leading the transformation process in their organization."

— Ralph H. Kilmann, PhD, author of *Quantum Organizations* and *The Courageous Mosaic: Awakening Society, Systems, and Souls*

"*The Art of Change Leadership: Driving Transformation In a Fast-Paced World* is a seminal work that bridges the often-ignored gap between process and people during change. A real-time, pragmatic blend of the 'what' and 'how,' this book should be part of every leader's toolkit who wants to not only accelerate change, drive organizational agility, and reap the benefits of genuine collaboration but also to personally thrive and develop continuously."

— Simon Horan, Global Change Management training director, UK

"Outstanding change leadership is more vital today than perhaps any other time in history. No matter if you were born a leader or acquired the role of leadership, it's essential to know *how* to lead change. Discover for yourself not only what it takes to be a great change leader but how to be a great change leader. If you have the desire to be a master leader of change, Cheryl's new book is a must read."

— Dr. Richard Kaye, regional director of CEO Space

The Art *of* Change Leadership

Driving Transformation In a Fast-Paced World

Cheryl Cran

WILEY

This book is dedicated to my biggest fan and supporter, Reg Cran, who has unfailingly been there throughout all of the many changes and transformations. Here's to the future and many more!

Preface

The Art of Change Leadership—Driving Transformation in a Fast-Paced World

The only thing that is constant is change.

—Heraclitus

How has your life changed in the past five years?

How has your workplace changed in the past five years?

Collectively there has been more change in the past five years than previous generations experienced in a lifetime!

In the spring of 2010 my book, *101 Ways to Make Generations X, Y and Zoomers Happy at Work*, was published. It was based on client research with dozens of organizations in North America who were asking, "What is with the younger generations?" and, at that time, the generations' impact was seen as one of the biggest forces of change. My generations research and work with clients produced significant transformations as they applied to reorganizing, elevating leadership capability, and enhancing cultural renewal and business growth.

In 2012 my next book released was the popular *Leadership Mastery in the Digital Age*, which was based on the fact that it was *not* just the generations that were causing massive change in organizations; rather, it was in a big way the technological revolution. Technology was and is creating massive upheaval. It continues to evolve quickly and this impacts employees' abilities to keep up and provide speedy customer delivery. Technology has given

customers access to information and technology has a major impact on increasing global competition.

I have worked with hundreds of clients globally in diverse industries such as technology, insurance, finance, manufacturing, healthcare, and more, and I have helped leaders to integrate the change-cycle model into their strategy to drive transformation. Thus, this book was born.

You might be asking, why this book and why now?

In this book I build on the strategies and virtues of the two previous books and provide a holistic plan to lead change and drive transformation in a fast-paced world. I use the word *holistic* to expand the perceptions around change beyond how it is currently viewed. Many leaders and organizations hear the word *change* and they balk because it implies that what they are doing right now isn't working. Shifting the word to *transformation* helps and yet there are many who are still afraid of the implications of change with fears such as "something has to go" (me/my job/my autonomy/my identity/my company).

A holistic approach to change and transformation comes from the positive assumption that what you have done as a leader and as an organization and what you are currently doing have been and are *already successful*. In addition, there is a realization that you must be *open* and *build* on the successes of the past; you must include all stakeholders in the new vision/direction of what is possible; and, rather than focus on *eliminate* or *lose*, you focus on reinventing, re-creating, and reorganizing the entire system. The holistic approach is inclusive and *all* is seen as an ally: all people, all systems, all products, all customers, and you focus on including *all* while building renewed strategies and approaches.

My mission is to massively shift the view and approach to transformation away from "something or someone has to lose" and toward "everyone has something to gain." This book is not *about change management; it is about creating organizational cultures with change leaders*.

This book progresses from the I to the we and begins with the compelling reasons that your change leadership and transformation abilities are needed right now. It moves through the concept that only by adding value and sharing value can we authentically and abundantly seek to create changes that benefit the greater system (you, your team, the company, your industry, and the world).

I present research and information that confirms that there are tools that include mindfulness and emotional intelligence that can speed the pace of individual and collective transformation.

Clarification is given on the difference between a change manager and a change leader and why an integration of the skills of each is needed in this rapidly changing era.

The subject of technology appears throughout the book and indicates the massive opportunity to leverage existing technology knowledge within organizations in order to speed up the rate of innovation.

I share holistic thought leaders' overviews of the power of harnessing the energy of people to lead change and to empower those same people to become more effective leaders of change.

The change-cycle model is examined and is used as a reference tool for you to check yourself as a change leader, where you are in the cycle, and as a check-up tool for your organization.

I review the current and up-to-date research on the generations as it relates to the global changes affecting

business today and ideas on how to integrate the strengths of *all* the generations to drive transformation.

The three-step change model simplifies the *key* areas of leading change and provides a guideline for project management of change initiatives.

Last, a leadership survey of over 200 leaders from middle management to C-suite provides further supporting data and insight to the changes affecting organizations, the challenges, and the opportunities for transforming the current workplace into the workplace of the future—today!

As always, it is my clients who have inspired this book. I have tremendous respect and admiration for the leaders I work with, for their courage and their drive toward transformation—and some of their stories are included.

May 2015

Cheryl Cran

Acknowledgments

A book is a collaboration. There is an author's name on the front but there are many people involved who support the process and make it all happen.

I am grateful to the entire team at John Wiley & Sons for their help in polishing the jewel. I would also like to acknowledge the speakers' bureaus that partner with me to bring my change leadership and future of work research to their clients. To *all* my clients who are living testaments to the power of the strategies in this book: I am honored to work with you.

I offer a loving shout-out to my partner/friend/husband, Reg Cran, who is my biggest fan and supporter of all my books and work. There is no way I could have done any of the work I love to do without his ongoing cheerleading. I must also mention my father Dave Chouinard who was the master of change, was way ahead of his time as an entrepreneur, and influenced me from a young age to be agile, resilient, and able to lead change.

Chapter 1
Why Do Organizations Need Change Leaders?

> The rate of change is not going to slow down anytime soon. If anything, competition in most industries will probably speed up even more in the next few decades.

> —John Kotter

The future workplace is now—is your organization ready?

Are you ready?

We need change leaders now because the fast pace of change has made it an imperative. Why?

Because fast change means there is a need for people to adapt quickly. The truth is that change involves human beings who must be willing to move away from the familiar and move toward the unknown and embrace it.

The art of change leadership is to understand the fundamental of change from a human point of view. When we as change leaders consistently use strategies to improve our own approach to change and then share those strategies with those we lead, *then* we can effectively create sustainable organizational change. That's the goal of this book, to provide the human (feelings, thoughts, and behaviors) and the structural (steps to be taken) strategies as well as the behaviors (action/execution) that will drive transformation in our fast paced world.

In the past 10 years, there have been massive changes. The Conference Board surveyed 1,020 global chief executive officers (CEOs) in 2014 and asked them to rank their top business challenges. *Human capital, customer*

relationships, innovation, operational excellence, and *corporate brand and reputation* emerged as the top five challenges. Although these challenges may have been similar a decade ago, at the core of these challenges is the underlying theme—the need to change the solutions. The solutions to the top five challenges are not the same that would have been applied even a year or so ago. The challenges require new solutions, which in turn requires change.

Human capital is the biggest issue keeping many CEOs up at night—it used to be that employees would find a career in an industry, remain in that industry for 20-some years, and then retire. My, how things have changed! Now, employers are faced with the reality of changing employee attitudes about work and life. The increase of technological innovation has created greater access for employees to educate themselves, to seek out other opportunities, and to seek more meaningful and impactful work. Generations of workers are finding that there is value in working smarter not harder and having fun at work. The changes needed to master the human capital challenge include having change leaders who can drive transformation in the fast paced and fast changing workplace reality. Imagine organizations that have recognized the need to build the future workplace today and to prepare their leaders for ongoing and rapid change. Imagine organizations having leaders who are able to inspire, share knowledge, and provide resources to their teams while creating a work environment that is open, creative, collaborative, and focused on transformational experiences for the employees and the clients.

The leadership skills that have been used for the past decade are not the skills that are going to create next level growth or expansion for organizations. We need change leaders with upgraded operating systems to inspire and create new approaches, new processes, and new ways of

connecting to create an organization with happy employees.

Customers have become right-now consumers who want what they want and they want it *now*—not yesterday! Amazon Prime and its two-day delivery is still not fast enough for some of the drone-loving customers who want their deliveries *today*. Years ago the customer could wait. I remember a situation when I worked in banking: I was right out of high school and was promoted from bank teller to side-counter customer service. This was in the 1980s when customer service was not a "thing" and a customer came to the side counter and I jumped up ready to serve him. My co-worker who had been in customer service for years yanked me back down and said, "Don't get up so quickly or the customers will always expect us to jump." I was in my teens at the time and remember thinking how silly that was. Fast forward to today and the customer IS king or queen and drives all solutions from the business perspective and also from the individual consumer perspective. In fact, I find that customer expectation of stellar service has gone up so high that there is a pervasive culture of never satisfied customers out there. So what does that mean for organizations? It means that the continued and increasing demands from customers are creating the need for adaptable and customized solutions. The ability to provide creative and innovative customer care requires a change of mind-set around what constitutes good service and a change in customer delivery processes. We need change leaders to transform customer processes.

Innovation is something that keeps many CEOs up at night as he or she struggles with staying one step ahead of the competition. An innovative culture requires teams of people to be thinking in new ways that are continually focused on creative solutions. Leaders and employees who may have been working in a culture in which new ideas were not

valued are finding the new economy and new workplace demands creativity and innovation mindsets. The approaches, strategies, and processes all need to change in order to shift to a culture of innovation. We need change leaders to focus and create environments and structures that support innovation and creativity. Organizational executives need to value new ideas and create opportunities for employees to share ideas, to openly spend time creating, and to be rewarded for innovative product ideas, customer service improvement ideas, employee engagement ideas, and more. Many organizations are establishing forums and labs for innovation; for example AT&T and the AT&T Foundry™ innovation centers are fast-paced and collaborative environments. AT&T and technology providers work in the AT&T Foundry to deliver applications and services to customers more quickly than ever before.

The AT&T Foundry works in projects combining business, design, and technical resources. Since its launch in 2011, the AT&T Foundry has started more than 200 projects and deployed dozens of new products and services. Projects focus on areas of significant business or technology interest and typically involve external start-ups, innovators, entrepreneurs, academics, and inventors. Projects are organized in short sprints designed to determine success or failure quickly.

Another area that is undergoing massive change approaches is the operational excellence of the organization overall. Many organizations have policies and procedures that were established decades ago and that may or may not have relevance to today's business reality. When our team conducts organizational assessments with our consulting clients one of the questions asked is, "What are the policies and procedures you have in place that are not serving your actual objectives?" A company may state

that their objective is for absolute customer satisfaction and yet the operations and processes hinder that same objective.

For example a company that has been in business for over 30 years or more may have had a policy to give absolutely no refunds to the customer, and today that same company has a direct competitor who does provide refunds for the same product. Does the policy need to change? That may seem like a stupid question and yet there are many organizations in which the operations and methods have not been changed, updated, or modified to meet the current customer or employee reality. We need change leaders in operations to lead operational excellence and to help drive transformation in the organization.

The corporate brand and reputation focus from the survey mentioned earlier is a key area for company success in the next few years. It used to be that you could manage brand and reputation by "spinning" content to ensure the best possible image was put forward. Now with social media and outspoken customers a brand slipup can go viral in seconds. Larger corporations have had social media staff for the past five years focus on brand and reputation management by focusing on Twitter feeds, YouTube video comments, and more. In addition, individuals within companies are recognizing the need and value to have a personal brand to promote skills for new jobs, for promotion opportunities, and more. I read recently that new parents are buying URLs for their babies either prior to birth or right after birth to ensure brand protection. The need for rapid adaptation to the brand and reputation challenge is an imperative. We need leaders of change to lead everyone within the company to be brand advocates, to leverage all channels of strategic brand promotion, and to see the interconnection of company brand with each individual's representation of the brand.

A Need for Breakthrough Transformation

All the items discussed here provide insight into the areas that CEOs will be focused on in the next few years. However, there are new trends that are shaping the future of work and that have to be factored in when looking at driving transformation in the workplace.

The trends that are impacting business today are increasing technological innovation, Generation Y impact on the workplace, and cloud computing.

Technological Innovation

Let's look at the impact of technological innovation: 10 years ago if someone told you that you would share most of your life both private and personal for the world to read, watch, and hear, you would have said they were nuts. We now live in a 24/7 information-packed reality where we can find out virtually anything we want about anyone at any time. Who would have thought that we would be living more public lives, building online communities, sharing photos, videos, and personal stories, communicating, collaborating, and accessing information all through the use of technology? It is the impact of technology that is radically changing the way we live and work, and organizations must be adapting to the technological revolution that is upon us. The need for organizations and their leaders to guide the change of technological transformation is absolutely essential. Eric Qualman, the creator of *Social Media Revolution* videos, states a statistic that in the next few years we will not have a Fortune 500; rather, we will have a Fortune 100. That is, the rapidity with which technology is impacting business and the ability

of businesses to respond will determine whether the company will still be relevant in the next few years.

The organizations that are focused on technological transformation are well positioned to be successful and relevant. Often when I speak to groups of traditional organizations (those who have been in business for over 30 years or more) I notice that there is an obvious opportunity for many of these companies. The obvious opportunity is to get everyone in the company on board with the technological solutions that can be utilized. I was facilitating an executive retreat with a company that had been in the telephone business for over 20 years and now wanted to rebrand to let its customers know that they were now a technology company. When we were going through the SWOT (strengths, weaknesses, opportunities, threats) analysis with the executive team, the vice president of sales stated that she did not need to know the technology because her team had full knowledge of it. I stopped and looked directly at the VP of sales and then the CEO and said nothing. I waited for the CEO to say something to the VP and then I said, "Let me get this straight. You are rebranding to be a technology firm and yet *you* don't need to know the new technology?" The room was silent. Then I went on to say, "In the past it is true that a leader did not need to know the technicalities of the work that the team members did, but in today's reality the leaders *must* know as much as they possibly can about the technology in order to have relevance with the team." The CEO had been accepting the approach of the VP of sales because he was not willing to engage in a dialogue with her about how she needed to step up and be more proactive in her role and to learn as much as she could about the technology. This company had a need for breakthrough transformation in order to achieve the objective of being a technology firm rather than a telephone firm. The attitudes and the

behaviors of the executives needed to fundamentally change in order to transform and drive business forward. I am happy to say that as a result of that two-day retreat, the company went on with the rebrand and a new commitment to training and upgrading of leadership skills to ensure the focus remained on transformation and making positive change.

Generation Y

The Generation Y impact is a profound change that I identified and that I have helped clients with over the past five years. When I wrote my book, *101 Ways to Make Generations X, Y and Zoomers Happy at Work* in 2010 it was as a result of clients telling me that they were being majorly challenged by this new younger demographic who was in the workforce.

By 2020, Generation Ys are expected to make up around 50 percent of the workforce; by 2025 this number is projected to be 75 percent. Yes Generation Ys bring new approaches, innovations, unique values, and ways of working, *and* they are going to be the dominant demographic in the workplace, which means what they want will rule. This is a generation that has technological intelligence and innateness and that is focused on working smarter with the use of technology rather than *harder* (aka longer hours).

Many Generation Ys will live at home until the average age of 35; they are willing to live at home longer until they find a company that they truly want to work for. Gen Y are either staying home longer until they find work they love or they are working at what they want but it doesn't quite pay enough for them to move out. The implication for organizations is that they must shift from creating an environment in which they assume people *need* to work to one in which people *want* to work.