

# The Review

INSIGHTS, IDEAS &amp; INFORMATION

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White Maple is a strategy consulting firm. We aim to deliver results for clients that produce lasting improvements to performance through facilitating alignment between strategy, the market and brand, and the organisation's people, structure and processes.



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## TRANSFORMATION TRAPS

BY BOB EMPSON

There are myriad challenges when embarking on transformational change of an organisation. With references to Machiavelli, this article highlights some of the many traps that you will wish to avoid.

"...there is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things." So wrote Machiavelli in *The Prince*, 500 years ago. Not much has changed since then. In September 2009, Executives Online conducted a survey about change management amongst over 1,200 executives in the UK; as the chart on the next page shows, the majority think companies are poor at it.

I focus here on some of the traps when trying to implement "transformational" change, ie. large-scale, "revolutionary" change that involves an organisation reorientating and/or redefining itself, rather than evolutionary, gradual and adaptive change.

### TIMING OF CHANGE

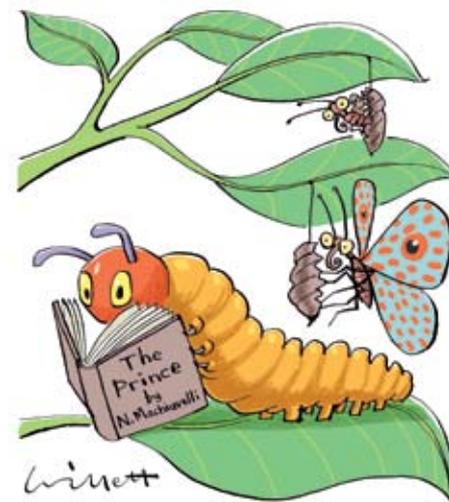
All too often transformation is not initiated soon enough. Machiavelli had a view on this: "...disorders can be quickly healed if they are seen well in advance... when, for a lack of diagnosis, they are allowed to grow... remedies are too late". A compelling, evidence-based case for change is needed. Creation of a sense of urgency is also important to overcome complacency, prevarication and inertia.

### VISION

Successful transformation needs a clear vision of the future organisation, what needs to be changed, and why. Without such a vision, or with a vision which is unrealistic or inappropriate, failure of the change process is almost certain.

### CONTINUITY

The change message can be exciting. However, even if we embrace change, most of us are also reassured by some sense of continuity. Trumpeting "all change" can undermine the perceived value of what has been achieved and laboured on before. It is best to try to weave some sense of continuity into the message about change. Areas for continuity might include, for example, certain values or some performance indicators (eg. customer satisfaction).



### PEOPLE AND LEADERSHIP

The people management and leadership traps are legion. Too often the change is imposed on people without their buy-in, commitment, engagement and motivation. Or staff are not empowered to make changes: "A prince should show his esteem for talent, actively encouraging able men...". The senior team might not be working as a team. The politics and power relationships in the organisation might not be fully understood. The approach to leadership might focus on one or two senior executives, rather than individuals or groups throughout the organisation. There might be a lack of appropriate leadership skills (see the article on page 3). There are no simple, generic and off-the-shelf solutions to the myriad people traps; however, the following paragraphs address some specific people issues.

### COMMUNICATION

Typical communication failures include:

- not explaining why there is a need for change and the practical implications for individuals;
- inadequate 2-way communication;
- not segmenting the internal audiences, nor evaluating their varied information needs, nor considering the range of techniques appropriate to each;

## "EXPECT SOME MESS AND MISTAKES..."

### REFERENCES

Here are some references and general background reading relevant to this article and to the overall theme of managing change.

#### Challenge of Change (UK)

The latest in a series of surveys about the practice of change management.  
**Executives Online, 2009.**

#### Choosing Strategies for Change

Has a focus on handling resistance to change.

**By John Kotter & Leonard Schlesinger**  
Harvard Business Review, 1979 & 2008.

#### Making Sense of Change Management

Another comprehensive book. Particularly good on team change and leading change.

**By Esther Cameron & Mike Green**  
Kogan Page, 2009 (2nd ed.).

#### Managing Change Step by Step

A very good book. Does what it says on the cover. See the review on the back page.

**By Richard Newton**  
Pearson, 2007.

#### The Heart of Change

One of the classics. Includes 8 steps for successful large scale change.

**By John Kotter & Dan Cohen**  
Harvard Business School Press, 2002.

#### The Prince

The infamous book which "is more often cited than read". Written in 1513, it was not published until 1532 (five years after Machiavelli's death).

**Translation by George Bull.**  
**By Niccolo Machiavelli**  
Penguin, 1995.

#### The Theory and Practice of Change Management

An excellent book, despite being slightly academic in style. See the review on the back page.

**By John Hayes**  
Palgrave Macmillan, 2010 (3rd ed.).

### COMMUNICATION CONTINUED...

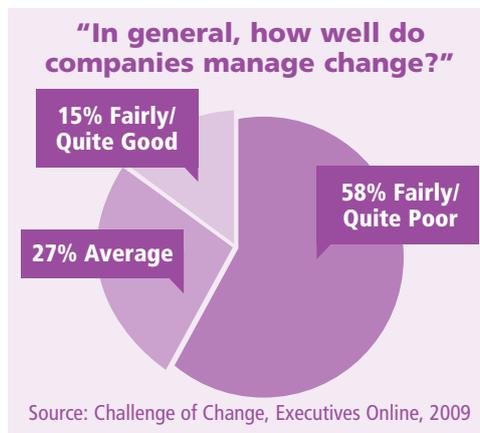
- insufficient dialogue with and between staff so that they can explore the issues;
- too much communication causing people to switch off.

### CELEBRATING SUCCESSES

It is usually a mistake not to plan, create and celebrate successes on the transformation road. Celebration of milestone achievements, or so-called "quick wins", can give confidence in the direction and about progress. Such successes can also help to re-energise the committed and sway the cynics.

### RESISTANCE TO CHANGE

There is often an assumption that everyone who resists a proposed change should be dealt with forcefully. In my experience, few who oppose change do this dogmatically or deliberately destructively: again Machiavelli "*... men are generally incredulous, never really trusting new things unless they have tested them by experience*". People might be demonstrating "negative behaviours" as they go through a transition experiencing psychological reactions such as shock, denial and even depression. Kotter & Schlesinger suggest six possible approaches to handling resistance: education & communication; participation & involvement; facilitation & support; negotiation; manipulation & co-optation; and coercion.



### MODES OF INTERVENTION

Inappropriate modes of intervention can lead to failure. John Hayes (see references) suggests five types. Advising is seen as a prescriptive mode; whilst four other modes are collaborative: supporting, theorizing, challenging and information-gathering. Advising and instructing can produce dependence on the "change agent" (whether s/he is external or internal) because people don't learn. The collaborative modes are not prescriptive and have many potential benefits; but they are not always effective because of barriers such as lack of skills and confidence, or because a very urgent situation needs a more prescriptive mode.

### INCOMPETENCE

This must be the No.1 and most frequent trap! Organisations embark on transformation without having the necessary skills, experience or knowledge. All too often it is not arrogance or stupidity which allows an organisation to do this; it is just not knowing

what is unknown! Following an assessment of what competences are needed, the possible solutions include: training/development; coaching; recruitment; using interim managers/staff; or engaging consultants

### TOO MUCH CHANGE

Some argue that the momentum of change must always be maintained, perhaps with exhortation, restatement of the dangers of not changing or even with a relaunch. But my experience is that sometimes people can become exhausted with too much change. So, consider the potential benefits of giving individuals, or even the entire organisation, a break from change when the focus is, even briefly, on business-as-usual.

### "BUSINESS-AS-USUAL"

A common trap is that the organisation becomes engrossed by the change and loses focus on delivering the day job: business-as-usual. Customers often suffer. Front-line staff become demoralised. Ideas for maintaining focus on business-as-usual include: appoint a director as champion of business-as-usual; dedicate some meetings completely to day-to-day business; and ensure that business-as-usual targets feature prominently in the organisation's performance management system.

### PROJECT MANAGEMENT

Ineffective and inefficient transformation is often a result of non-existent or inadequate project and/or programme management (co-ordination and management of a series of related projects).

### "TEFLON" OUTCOMES

Transformation frequently produces beneficial changes which do not last: they are non-stick! There are many reasons for this lack of sustained change; some of the most common include:

- leaders of the transformation move on;
- new initiatives are planned which divert resources;
- there is no resource for sustaining and spreading the change;
- "mission accomplished" is hailed when in fact it was only a victorious battle, and resources are directed elsewhere.

### IT'S MESSY!

"...fortune is the arbiter of half the things we do, leaving the other half or so to be controlled by ourselves". Thus with transformational change there will usually be unintended consequences, unidentified or unanticipated influencing forces, and unexpected or even illogical reactions. Expect some mess and mistakes, manage expectations and try to anticipate the traps.

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# Developing leadership capability in business change teams

BY HOWARD ADAMS

Drawing on recent research into change teams, this article argues that effective teams accountable for implementing critical strategic business change are characterised by authentic transformational leadership, a learned capability which is grounded in an individual leader's personal values.

To operate effectively, business change teams require alignment between task and team member commitment, shared purpose and personal values. When individuals come together to work in groups they progress through a familiar team development cycle of storming, forming, norming and performing. These team dynamics are underpinned both by specific task demands and activities and by the attitudes and behaviours of individual team members. Individuals who transition from simply being a group of individuals to operating as a highly developed team performing beyond expectations are those who succeed in creating alignment between task requirements and individuals' shared purpose, commitment, trust, drive and personal values.

The development of task and team member alignment is dependent on effective leadership. Scholars emphasise the importance of effective leadership in business change team development and performance: "Team leadership is essential for team effectiveness. The contribution of leadership to effective team performance rests on the extent to which team leadership helps members to achieve a **synergistic threshold** where collective effort accomplishes more than the sum of individual abilities or effort" (Zaccaro et al, 2009).

The most effective form of leadership is authentic transformational leadership. Transformational leadership theory suggests that leaders apply a range of behaviours. The more potent, higher-order behaviours are defined as transformational leadership behaviours. Less potent, lower-order behaviours are termed transactional leadership behaviours.

**Transformational leadership** behaviours include influencing, motivating, building commitments to a vision and encouraging people to commit to perform beyond expectations. These are particularly potent in turbulent environments and in newly-formed project teams. In contrast to transformational leadership is **transactional leadership**; associated behaviours emphasise the management of team effectiveness, providing direction and boundaries and creating environments for people to work efficiently for just rewards.

Neither set of behaviours is mutually exclusive; indeed, the most effective leaders are able to enact transformational or transactional behaviours, depending on situational demands. However, in turbulent circumstances or where exceptional performances are essential, such as during strategic business change projects, research demonstrates that an emphasis on transformational rather than transactional leadership behaviours results more often in more effective team performance. Encouragingly, recent research has demonstrated that transformational leadership

behaviours may be learned and when practised may produce a significant, positive impact on team performance.

Authentic transformational leadership is grounded in a leader's personal values. Values are psychological mechanisms which incorporate an individual's past experiences and influences and future aspirations. Personal values include self-direction, power and conformity, for example. They guide our attitudes and behaviours by influencing our responses to specific external events and other stimuli. In organisations, a leader's actions and behaviours are underpinned by their personal values; personal values thus play a critical role in the practice of effective team leadership.

The alignment of personal values at the change team level is critical. When a leader's personal values are aligned with those of other team members and with their organisation, the development of shared purpose, commitment, trust, and drive is stimulated and interactions and communications facilitated, which leads to team synergy and effective actions.

Authentic transformational leadership, which represents the most effective set of leadership behaviours, is associated with a specific values profile applicable at individual, group and organisational levels. Authentic leaders hold in high esteem the values of openness to change, universalism and a benevolent perspective. Conversely, values associated with self-enhancement, or an inflexible, over-reliance on security, tradition or conformity are less-highly regarded.

## LEADERSHIP CHARACTERISTICS OF EFFECTIVE CHANGE TEAMS IN UK ORGANISATIONS

Although such theories are accepted within the leadership field, research studies designed to test the ideas are limited. The author is building on previous research by conducting a doctoral-level study to investigate the claimed positive association between values-based, authentic transformational leadership and business change team effectiveness. The study has to date captured data from 36 business change teams, comprising 200 respondents in 17 UK-based organisations. Preliminary findings indicate that:

1. The most effective teams demonstrate a greater incidence of transformational leadership behaviours and a lower incidence of transactional leadership behaviours and laissez-faire (non-leadership) behaviours.
2. Teams most actively demonstrating transformational leadership behaviours were more positively biased towards values associated with openness to change (emphasising self-direction, stimulation and experimentation) and

self-transcendence (emphasising perspectives of universalism and benevolence).

3. All teams tend to hold in low esteem values associated with conservation (ie. conformity, tradition and security) and self-enhancement (ie. self-achievement and power).

## ENHANCING CHANGE TEAM PERFORMANCE

Findings from the research suggest that:

1. Encouraging the presence of transformational team leadership behaviours in strategic business change teams will enhance team effectiveness.
2. Transformational leadership behaviours leading to greater change team effectiveness are most likely to be stimulated in contexts where teams are encouraged to be self-directed and open to new ideas, mandated to experiment with a range of solutions and supported in working with other change teams, sharing ideas and resources.
3. Transformational leadership behaviours are also more likely to develop in environments in which selfishly-oriented behaviours and behaviours which support the status quo are actively discouraged (eg. through incentives and reward systems and cultural messages).

In conclusion, it is argued that effective business change teams are characterised by authentic transformational leadership, a learnable capability which is grounded in an individual leader's personal values. To operate effectively, business change teams require alignment between their specific assignment and the commitment, shared purpose and aggregated values of team members. The development of task and team member alignment is dependent on effective leadership, the most effective form of which is authentic transformational leadership; this is values-based and may be learned and practised by individual change leaders or leadership teams to enhance overall change team performance. The ability of business change teams to learn and adopt required leadership behaviours is likely to depend on the creation of an appropriate business environment, achieved through the management of relevant cultural and operational factors.

(If you would like to a list of references used for this article, please contact Bob Empson on bob@whitemaple.com).

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## "...THERE IS MUCH NAVEL GAZING NONSENSE WRITTEN ABOUT CHANGE..."

# Book Reviews

Whether you are a manager, adviser or student, you will find these two books on change management essential reading. Both give very practical advice, tools and ideas for effective change management.

### The Theory and Practice of Change Management

By John Hayes

Designed around a generic model of the process of change, this book draws effectively on the latest research and thinking. A comprehensive text, it encompasses not only core change management issues (eg. diagnosis and managing people) but also covers relevant related topics (eg. business process engineering, appreciative inquiry and lean thinking) not usually found in books on this subject.

There is a particularly interesting chapter on making change stick. Hayes recalls that nearly 60 years ago Lewin proposed that "refreezing" of behaviour was the key third but difficult stage in the change process, following unfreezing and movement to a new state. Hayes explores the difficulties of achieving sustainability (where the change "becomes an integrated or mainstream way of working") and the related concept of stickability ("holding on to gains"). Helpful ideas and advice are provided to help promote stickability and to sustain change.

Although it is grounded in academic theory and research, it offers over 20 practical tools and templates; and there are also 18 case studies and a range of straightforward exercises to help the reader to understand the concepts.

Regular readers of The Review will know that there is usually something to criticise in even the best books. However, this time we can find nothing significant to fault! In addition to all the positive points made above about the content, the design and presentation is excellent including extensive use being made of diagrams, figures and templates. If you buy just one book on change management: this is the one.

OVERALL RATING 

Palgrave Macmillan, 2010 (3rd edition). £38.99

### Managing Change: Step by Step

By Richard Newton

This book does what it says on the cover! It aims to provide a "straightforward, structured and flexible approach that will improve organisational change in most situations". It is organised into nine major steps, starting from learning the basics (eg. sources of change and definitions of change management) through to preparing for future changes. Each of the major steps is then divided into a number of further sub-steps.

Newton appropriately acknowledges that approaches to change will need to be "tailored depending on the nature of the change you are making and the character of your organisation". Thus, to help identify the need to adapt your approach, the appendix offers a detailed table with key questions to probe 14 characteristics of change. Ideas are then provided for how to do so.

Although the focus of the book is, of course, on managing change, much of the content is relevant to day-to-day management. An example is the extensive chapter about understanding and setting objectives (with which, in my experience, many organisations struggle).

Despite the author's complaint that "there is much navel gazing nonsense written about change", most managers will probably need to supplement this book with additional reading about the background theory, research and tools of change. In addition, Newton rightly argues that managers should also understand the associated discipline of project management (for which he has written another step by step guide). Nonetheless, in summary, this is a jargon-free, plain English and easy-to-use guide to what can appear to be a complex and esoteric subject.

OVERALL RATING 

Prentice Hall Business, 2007. £14.99

## WEB SITES

We hear a lot about the trade and investment opportunities in the so-called BRIC countries. But Africa could also be worth considering: it now has over 1 billion people, GDP is forecast to grow by over 5% in 2011 (source: AEO), and Africa's trade in 2009 with the UK alone was about £27 billion (source: UK Trade & Investment). Here are some web sites which might be interesting and useful.

### Afribiz

[www.afribiz.info](http://www.afribiz.info)

A commercial site with a wealth of free information about doing business in Africa. Various subscription services too.



### African Development Bank

[www.afdb.org](http://www.afdb.org)

Contains a wealth of statistics, reports and briefings about African countries, including a comprehensive downloadable statistics "pocketbook".



### African Economic Outlook

[www.africaneconomicoutlook.org](http://www.africaneconomicoutlook.org)

Authoritative statistics and analysis about economic, social and political developments in Africa.



### Egyptian-British Chamber of Commerce

[www.theebcc.com](http://www.theebcc.com)

UK-Egyptian trade was £1.6 billion in 2009. Good basic information about Egypt. Membership offers more benefits.



### Opportunities in Africa

[www.opportunitiesinafrica.com](http://www.opportunitiesinafrica.com)

Supported by the UN's Economic Commission for Africa. Seems to be under development. Should eventually have lists of opportunities and contacts in Africa.



### Trade with South Africa

[www.southafrica.info/business](http://www.southafrica.info/business)

Extensive background information about the economy, key sectors and success stories.



### UK Trade & Investment

[www.ukti.gov.uk](http://www.ukti.gov.uk)

An excellent starting point to access information, lists of opportunities in Africa and advice/support.



## WHITE MAPLE NEWS

### STRATEGY CONSULTANCY

Organisations with which we have worked over the last year on business strategy have included, for example:

- A European subsidiary of a leading international bank.
- A private business in the security equipment market.
- A trade association representing businesses in the medical equipment field.
- An Italian medical/humanitarian charity.
- A leading UK charity.

### 2010 INTERNATIONAL WORK

In 2010 we have worked for clients in the following countries: Belgium, Canada, France, Italy, Liberia, Netherlands, Spain, Switzerland and the USA.

### ASCERTIVA GROUP

Bob Empson, Principal Consultant, is a non-executive director of the Ascertiva Group. Ascertiva is a global company and is one of the world's leading third party certification companies. Its NQA brand is an assessment, verification and certification body operating throughout Europe and with joint ventures in the USA and China. Its NICEIC Certification brand is one of the UK's leading UKAS-accredited personnel certification bodies.

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This is the number of book reviews you can find amongst the 17 issues of The Review that are available for you on our website.