

# STRATEGIES SHOP TALK

Newsletter of Organizational Effectiveness Strategies: Winning Through People



## The Evolving Nature of Change

### From The President's Desk

Suzanne M. Miklos, Ph.D.



**T**he last twelve months have been characterized by growth and challenge for our company. I would like to take this opportunity to sincerely thank all of our clients and friends for their support in our business growth. Our growth has been both a tremendous blessing, as well as a challenge, and we have enjoyed the opportunity to rise to the occasion.

Growth has been an opportunity for us to expand and improve our services. For example, we have demonstrated capacity to produce customized assessment software. In a recent client partnership, we developed software to identify levels of business skill development. This increases business skills in any one of the various models and leads to increased financial results. In another client partnership, miniature 360-degree surveys allowed participants of coaching and leadership development programs to track their progress by individually selecting items related to leadership behaviors and coaching skills on their personal development plan. This results in customized assessment for each participant. Our ability to incorporate sound psychological measures with technology-delivered solutions is a direct result of growth fueled by wonderful client partners. Our office in Brecksville is ideal for conducting individual assessments and assessment centers. The comfortable atmosphere is located in a historic building in scenic downtown Brecksville, which offers a charming venue where self-awareness is increased and performance enhanced.

Of course, growth is not without its challenges. We are benefiting from upgrading much of our infrastructure to match the new volume

in business. We have all felt challenged and stretched, which has been an exciting opportunity for our staff and our organization. For all of this, we thank our clients and wish you a wonderful summer.

### To Better Serve You...

**O**.E. Strategies, Inc. proudly announces the addition of two new core members to our team to offer additional capabilities and services to our clients: Jody Wheaton, M.S., PHR, and Rosanna Miguel, Ph.D. The added professionals bring extensive experience in selection, surveys and development spanning a large number of industries. O.E. Strategies welcomes their expertise and looks forward to their contributions to our clients.

**O**.E. Strategies has also enhanced the collection of services offered to clients. We have invested in skill-building modules to better support our organizational change and effectiveness practice. Ask about our proven leadership series for technical managers.



# Making Change Efforts Work

## Supervisor's Corner

Louis Forbringer, Ph.D.

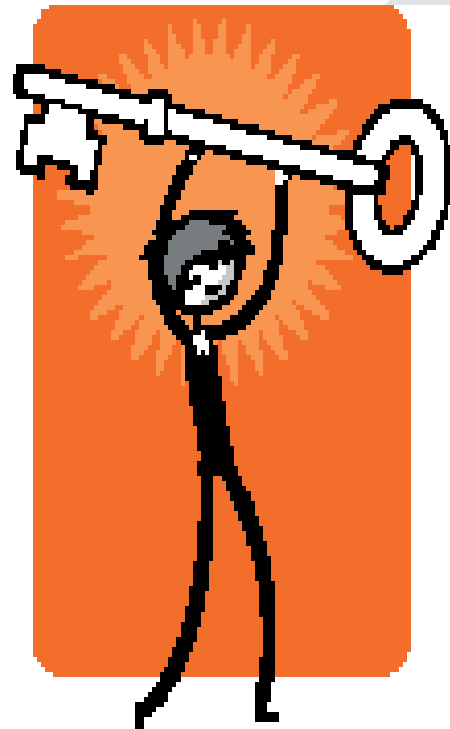
When provided with the choice of either making difficult and enduring changes in the way you think and act, or be faced with imminent death, which would you choose? The answer seems quite obvious, but an article by Alan Deutschman in the May 2005 Fast Company entitled "Change or Die" reports that Ray Levey, founder of the Global Medical Forum, said people are "sick because of how they choose to live their lives, not because of environmental or genetic factors beyond their control." He goes on to say that 15% of our GDP, or \$1.8 billion dollars a year, is spent on healthcare and most of it is related to conditions that are "behavioral." In other words, we're spending 15% of our entire country's budget because people are not able to change their behaviors to stop smoking, stop drinking, eat healthier, and exercise more, even though, intellectually they know these changes will be good for them and, in some cases, may keep them from dying!

You might wonder how this is relevant to organizations. John Kotter, a renowned Harvard Business School professor, points out that changing the behavior of people, even if it is simply changing how someone reacts to criticism to a corporate reorganization, is central to the ongoing success of organizations. Furthermore, the approaches most often used, (i.e., building a "burning platform", and providing factual information) are not very successful in getting people to change their behaviors. So, if the most often used approaches don't work very well, what can be done to improve the success rate?

Kotter highlights a critical point. He notes change happens mostly by targeting peoples' feelings. In other words, emotional persuasion works better than, or at least needs to augment, rational argumentation. This does NOT sound like the kind of thing that is extensively taught in many MBA programs!

### *Seven Tips for Managing Change*

1. Frame the "pull" or what will be better
2. Remove uncertainty
3. Communicate, communicate, communicate
4. Change the symbols of the old way
5. Emotional persuasion
6. Find and remove barriers
7. Be supportive; backsliding is normal





# Book Summary

## by Linda Brown, Ph.D.

*Growing your company's leaders: how great organizations use succession management to sustain competitive advantage*

Robert M. Fulmer and Jay A. Conger (2004)

In this new book Fulmer and Conger present how some leading organizations have used succession planning as a source of strategic advantage. The authors focus on the best practices in this area, based on a 2001 study conducted by the American Productivity and Quality Center. It is a very useful book for understanding succession planning from an executive perspective, as well as offering some "how to" ideas for making an initiative work. This book clearly responds to important questions that firms have about succession planning and shares important details of some large companies' (Bank of America, Dell Computer, Dow Chemical, Eli Lilly, Sonoco Products, Pan Canadian Petroleum) experiences.

### *Why is succession planning important?*

The authors propose that the population of executive talent is declining. Qualifications for executives are more complex than ever. Executives need to be more technologically fluent, understand the global marketplace and foreign cultures, possess a network of diverse relationships and be able to lead increasingly unstructured organizations. Today's managers and executives must continually update their competencies in order to lead organizational change, growth and response to customer requirements. A well-developed and executed succession planning process can help develop leaders to meet today's challenges.

### *In a nutshell...*

Successful strategic succession planning has some common themes:

- simple and practical to use
- based on realistic talent assessment
- rooted in leadership development instead of replacement
- championed by executive management
- well-coordinated by Human Resources
- linked to key positions in the organization
- continually improved in response to organizational needs and competencies

### *What is succession planning?*

Succession planning has changed from what used to be a series of secret records and plans for replacing the top positions in an organization known only to the top executives, to an interactive and open system for identifying and developing leadership talent. The keys

are that today's succession planning processes emphasize development of leaders at lower levels, requiring involvement in their own development.

### *How does it work?*

The authors give examples of what a number of large organizations do for their succession planning processes. Although these companies are sizeable, their practices apply to organizations of all sizes. The organizations studied base their processes on the organization's strategic

plan and the competencies that are seen as vital for organizational success. The strategic plan determines what competencies are required in an organization, particularly those needed for a leadership talent pool. Careful assessment of those in the talent pool is crucial. Assessment can include the annual performance appraisal, career discussions, 360-degree feedback, assessment by outside professionals, and a formal review of talent pool potentials by executive leadership.

Fulmer and Conger note that a common developmental practice in almost every organization they studied was the mostly informal mentoring or coaching of high potential



# Book Summary continued

employees to develop their abilities for leading at higher levels. Informal coaching generally occurs internal to the organization, with external coaching being reserved for top positions or for developing coaching skills in managers at all levels.

Other developmental practices the authors report include special job assignments, internal leadership education, external university and professional courses, and performance management (often including 360-degree feedback results). These practices are tailored to the strategic needs of the business as well as to those of the employee.

### *How is the process evaluated?*

Some of the organizations studied by the authors use quantitative measures to determine the effectiveness of the succession planning system. These measures may include retention/attrition rates, job performance following promotion, and rates of diversity (gender, race, thinking styles, occupational, societal) in promotion. Qualitative measures are more commonly used. Some of these measures include: the size of the pools for each open position (bench strength), whether transitions/promotions have gone smoothly, whether the promoted employees were appropriately prepared for their transitions, and did the promoted leaders prove to be the “right” choices over time? If not, why not?



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