



# The Leader's Challenge: Installation or Realization

## White Paper

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## Introduction

Many organizations introducing dramatic change confuse *installation* of their projects with the *realization* of their intent. All too often, important initiatives are properly installed (built or purchased, announced, placed, people trained, etc.), but the return expected from the investments made never seems to actually take form.

When this happens, the problem is seldom that the change just doesn't happen; the more common situation is that it is only partially implemented or never really used as intended. This kind of poor application can be due to a number of reasons (the lack of understanding of the true intent and scope of the effort, mixed signals from management about its importance, resistance from those being affected, competition for time and attention from too many other changes, and so on). Regardless of why, though, organizations that do no more than *install* major change almost never create the support and acceptance needed to produce the hoped-for results. *Realization* of the full intent of critical change is the only way dramatic leaps in return on investment (ROI) can truly be accomplished.

For important initiatives to reach their realization potential, two disciplines must be called into play: *project management* and *change management*. Project management deals with the logistics of implementation (functional milestones, scheduling, training, cost control, etc.). Change management uses behavioral science research and techniques to address the human and cultural aspects of introducing important changes (developing commitment, minimizing resistance, fostering resilience, etc.) within organizational settings.

By far, change management is the younger of the two disciplines. It has gained real acceptance for its own distinct domain of influence only within the last 10 to 15 years. In that time, though, its focus on the people issues has proven to be as essential to the introduction of new structures, procedures, and systems as the more traditional, logistical focus of project management.

It is best when these two disciplines are integrated into a single implementation methodology. This allows the logistical and human components of change to be seen as they actually are—two equally important and interdependent requisites to successful change investments. The vast majority of “roll-out” strategies, however, fail to incorporate both aspects as they should. Most focus almost exclusively on the project management features and either blatantly ignore or treat in a superficial manner the concerns that change management seeks to address.

Many of the deployment strategies that do attempt to include change management issues in their action steps end up reflecting more philosophy and good intent than the level of structure and discipline needed for sound results. Whether change management is ignored or applied in a shallow manner, the result is the same. Project management that does not adequately address the human dynamics of change usually results in only installation-type outcomes.

Clearly, both disciplines are required if a healthy ROI from change is desired. The subject of this document however, is the change management component—not because it’s more important, but because it’s typically more neglected.

## The Leader’s Challenge: Installation or Realization

Most organizations do a relatively good job of figuring out what must be done to solve their problems or exploit their opportunities. The problem is that they typically don’t implement these solutions very well. They plan the proper course of action for the situation they face, but actually fulfilling their ambitions often proves beyond their reach. The crucial issue facing businesses today isn’t *what* strategy to deploy or *what* remedy to put in place, it’s *how* to implement these endeavors in such a way that they have their intended impact.

With today’s volatile market conditions, leaders can’t afford to base their professional future on strategies and projects that are simply deployed into their organizations. Success now depends on being able to manage the “human landscape” around these initiatives. To do this, executives must understand the nature of these landscapes and how to successfully navigate through them.

### Human Landscapes

At its most basic core, a work environment is composed of two types of building blocks: those that are “inert” (structures, policies, technology, strategies, capital, tools, etc.) and those that are “human” (perceptions, assumptions, resistance, fears, aspirations, beliefs, values, etc.). Each work environment has its own configuration of inert and human components that form a unique identity, or landscape, that distinguishes it from any other work setting.

The inert aspects are isolated, independent features of the landscape that have no inherent connection to one another (for example, a change in software does not by itself trigger a shift in the way budgets are managed). It is the human component of the landscape that provides all the links, bonds, and affiliations that exist within work settings. Without people, meaningful integration of the various inert components wouldn’t exist: A procedure could stand alone, unaffected by a report showing declining quality, which would be completely detached from

employee performance ratings, which would be unrelated to the new IT system, which would be sheltered from any influence by the recent merger.

It is because there is a human quality to these landscapes that interdependencies are possible. People are the bridging agents between themselves and all inert features of a work environment; therefore, it is the human landscape that is most crucial to the success or failure of efforts to introduce change.

When new initiatives are introduced into a work environment, they cause shock waves of disruption that emanate from the “points of impact” where they are installed. These are the physical and political locations where the new entities being introduced (advances in technology, new organizational structures, leadership change, etc.) actually interface with the people involved. Around each of these “points of impact” is a human landscape that reacts to and dictates the success of the change being introduced. The degree to which change spreads throughout a work environment or dies an early death is directly dependent on the human dynamics reflected in these landscapes (how much commitment or resistance exists, how many other changes are competing for people’s attention, and so on).

This is because all initiatives designed to bring about change interrupt the status quo. The greater the promise of change, the more disruption that is required for it to be accomplished. This makes it difficult to bring about some type of transformation, because most leaders want these changes to take place without the unavoidable discomfort that comes with disrupting the way things are. As a result, the human landscapes that surround important business solutions are often left unattended. When this happens, they can become incredibly effective at undermining and preventing projects from achieving what they otherwise could.

Because of the powerful influence people and their reactions have on the success or failure of change initiatives, it is vitally important that leaders see to it that the human landscapes encircling business solutions are managed properly. Many choose instead, however, to deal rather peripherally with or ignore altogether the people dynamics associated with the major changes they attempt to implement. Why?

Much of the time, it’s because they have not fully grasped that leadership today involves more than making the right decisions about *what* should be done. In addition, executives must know *how* to orchestrate the human infrastructure to ensure there is enough support from the key people involved in a change effort to actually achieve the true purpose.

## Moment of Truth

All too often, executives feel like they have determined the right course of action for their organization, but something happens after the decision was made... the intended outcome never happened. What is behind this gap between approval to move forward and failed expectations? The answer lies in the human landscape.

Regardless of what initiative is approved, there is always a “moment of truth” that dictates whether or not an organization actually receives the value the decision makers hoped to achieve. Companies inevitably come to a crucial crossroads where they must either perform as required to discharge their intentions or face whatever consequences exist for maintaining the status quo. At this juncture, there are four possible outcomes: early termination, meltdown, installation, or realization.

**Early Termination:** Occasionally, approval is secured for a new initiative, but the project never really gets off the ground. Agreements are reached about what is to be done and budgets are set, but before any official announcements can take place, everything is discontinued. This is often the result of some obvious financial or political crisis. Other times, the reasons behind these abrupt terminations are less clear. Regardless, when efforts to introduce change are blocked after being approved but before being officially launched, it clearly indicates that the organization was not ready to fulfill its aspirations. The initiative may have been a sound solution to the situation at hand, but the surrounding human landscape was not prepared to absorb what was offered.

**Meltdown:** A project (with all its goals and purpose) is announced and engaged, but at some point during implementation, it is discontinued with a complete withdrawal of resources and activity. Meltdowns are visible failures for all to see, and the economic and political prices they incur are so costly they are generally avoided if at all possible. Because of the high visibility and vulnerability of being associated with such defeats, it is easy for decision makers and internal change agents (or external consultants) to informally (sometimes unconsciously) conspire to camouflage a meltdown with a protective covering of “dysfunctional installation.”

**Installation:** When change projects are first introduced into a work setting, they are announced, set up, assembled, and/or inaugurated, but the ultimate intent has not yet been achieved. Installation is about placement—managing the tangible aspects of inserting a new initiative into the work environment (logistics, plugging in hardware and software, training schedules, work sessions, engaging actions, etc.).

Although installation is an inevitable part of the overall implementation process, it carries a two-edged sword. With it comes the potential for either furthering the primary purpose of the intended change or preventing it from ever truly taking form.

- **Beneficial Installation:** This is the phase all change endeavors must go through where attention is focused primarily on physically inserting the initiative into the organization. It is very important to the success of a project that initiatives be properly placed and used as intended. As critical as they are, though, initiatives are not the same as the changes being sought. Initiatives transport the seeds of change, but they are not the desired changes themselves.

Change is one of those powerful forces that has a major influence but that we can't actually touch or directly see. You can't hold change in your hand, but you can confirm its presence by observing the trail of influences it leaves behind as it passes through people and/or organizations.

Because of its elusive nature, change requires tangible containers that allow it to be transported into our lives and recognized. Change always enters our lives embedded within some type of tangible package (i.e., a person, event, thing, or circumstance), but these packages actually carry only the prospect of change, not change itself. Proper diet and exercise only increase the probabilities of health; no guarantees are included. So it is with organizational initiatives. A well-crafted sales training program exposes participants to a particular learning environment that may or may not create the desired skill acquisition.

New initiatives are vessels of change, packages that carry the unrealized potential for the organization to achieve what it needs. Many people, however, confuse the containers that hold the potential for change with the actual change that is desired. The seeds of change within a project can be planted, but the true purpose of the endeavor must then unfold. And

this can happen only if the surrounding human landscape has been made ready to absorb the disruption.

- ***Dysfunctional Installation:*** Installation is an asset when it is seen by decision makers as a critically important implementation step and they also know that much more work is involved on their part to fulfill the purpose of their investment. A liability is created when initiatives never progress past the installation phase but decision makers are under the impression that the anticipated benefits will still materialize.

Installation is *dysfunctional* when it becomes an end state, not a phase in the implementation process. When this happens, the project impersonates but does not truly manifest the ultimate goal behind the endeavor. The desired state is mimicked but never realized. Employees quickly catch on and participate in the farce by saying all the right things, going through the motions of complying, disguising old habits with new rhetoric, and fabricating the intended outcomes. All this can take place while the real goals of the effort are completely bypassed.

If initiatives are not embedded into work environments beyond installation, they will be put into place and the appropriate people will be trained, but the real purpose of what the decision makers are trying to achieve will be lost or extremely watered down. When change is only installed, its physical manifestation is lodged into the organization in a perceptible way and its presence is evident to all involved, but the true intent behind the desired shift is absent or greatly diluted.

**Realization:** This kind of outcome takes place when the key purpose for the entire initiative is actually achieved (confirmed cost savings, the hoped-for customer loyalty, the needed productivity gains, etc.). Dysfunctional installation is about the appearance of change; *realization* is about accomplishing the substance of change—the real reason behind engaging the change effort in the first place.

Realizing change requires fulfilling the “promise” made to shareholders.

## The Promise

When decision makers formally approve important change efforts, a promise is made to the shareholders that the value being pursued will emerge as intended. Of course, the promise extends to the employees and customers as well. For purposes of this paper, though, our focus will be on the promise made to the shareholders.

Regardless of the nature of the initiative, introducing change into an organization is always a resource-consuming activity (capital, time, energy, attention, etc.). These are corporate assets that ultimately fall under the ownership of shareholders. As such, a decision to engage change is a decision to, in effect, borrow owner equity and apply it toward funding the endeavor.

As is true with any investment of someone else’s assets, there is an implied (if not explicit) commitment made that the resources being allocated will result in an appropriate return for the shareholders. When initiatives are positioned at strategic levels and shareholders are made aware of (or actually participate in) the decision to move forward, the return on investment (ROI) obligation is directly expressed. When the initiative is more tactical in nature (below the level where shareholders would be involved or even informed), the same obligation still exists to do everything possible to create the expected return. The fact that the promise is entered into

through a tacit understanding makes the accountability of decision makers to their shareholders no less valid.

All too often these promises don't translate into the intended results. One reason is that despite the rhetoric that would suggest otherwise, many important change projects are engaged by decision makers with less sense of ROI responsibility to their shareholders than is healthy or appropriate. This is evidenced most often by leaders displaying only marginal resolve toward achieving a project's stated objectives.

Usually this is due to decision makers being dangerously naive about what is required on the organization's part for a major initiative to succeed. They often inaccurately assume that the burden of accountability for achieving their goals falls on internal staff or external consultants. Although consultants are expected to deliver sound recommendations and internal staff can play key supporting roles, it is the decision makers who carry the greatest obligation for success. They are the ones who must ensure that the surrounding human landscape is ready to support what needs to happen.

There is another common situation that inhibits decision makers from fulfilling the promise of change. They are serious about achieving the objectives, but they either lack an appreciation for the importance of managing the human landscape issues or they have no idea how to go about doing so. Here, there is no shortage of commitment toward reaching the goals and the decision maker feels sufficiently accountable for using shareholder assets in the process. What's missing is either: 1) an awareness that even impeccable decisions about what to do can fall flat when not supported by the people being affected, or 2) access to the tools and techniques needed to successfully direct the human aspects of the project's execution.

Dysfunctional installation takes place when correct business solutions are inserted into human landscapes that were not properly prepared to provide the necessary support. When this happens, the initiative being deployed can achieve no more than temporary, superficial relief from the symptoms the organization was trying to relieve. Under these circumstances, the promised ROI to the shareholders cannot be fulfilled. Maximum return on the shareholder's investment and full realization of expected value can only be achieved by delivering on the promises made to the shareholders.

## What Leaders Need to Know

Leaders don't need a deep expertise in change management to deal with human landscape issues, but a solid, working understanding of the dynamics involved is essential. Many executives are not predisposed to the people aspects of their work environments, and those who are often lack the knowledge of how human landscapes operate or how to influence them. For change promises to be realized, leaders need to know enough about the patterns of change-related successes and failures to provide the proper guidance to the organization. Specifically, leaders need to know how to assess their organization's readiness to successfully adapt to a needed change.

There are four key elements to human landscape readiness:

- Sponsors: The management structure responsible for seeing to it that initiatives are applied appropriately
- Targets: The people whom the initiatives are intended to influence

- Culture: The formal and informal ground rules for how things are really done on a day-to-day basis
- Capacity: The availability of the resources needed to adapt to the ultimate desired change

Creating the proper readiness around initiatives requires that the following four questions are asked and the necessary actions are taken to ensure that people are adequately prepared to absorb the changes being introduced. The critical questions are:

1. Sponsor Commitment: Will there be sufficient resolve demonstrated by management (public rhetoric, private pressure, allocation of resources, consequence management, time and attention, etc.) to drive the desired behaviors and attitudes required by the initiative and to ensure that this leads to achieving the overall desired change?
2. Target Resistance: Have the views of those being affected been taken into account to: 1) identify reasons why they might be reluctant to properly use the initiative and/or support the ultimate desired change, and 2) develop action plans that either relieve the constraints identified or address how to deal with those that can't be resolved?
3. Corporate Culture: Is the culture (the patterns of beliefs, behaviors, and unconscious assumptions) around the key points of impact aligned with what must happen for the initiative to be used properly and for the ultimate desired change to become reality?
4. Remaining Adaptation Capacity: Are there sufficient resources (physical, emotional, and intellectual energy) available among the people being affected to accommodate proper use of the initiative as well as adjust to the ultimate desired change?

One of the key challenges facing leaders today is delivering on the commitment they make when they announce critical changes. Installation of change is seldom in jeopardy; it is the realization of the shareholder's promise that is typically at risk. These promises are achievable only if leaders are careful to limit their initiatives to those they are serious about implementing and only if preparation of the human landscape is included as a non-negotiable part of the roll-out strategies.