

# THE CONFERENCE BOARD REVIEW

IDEAS AND OPINIONS FOR THE  
WORLD'S BUSINESS LEADERS

## WILL YOUR PEOPLE BE READY?

EXECUTIVES REVEAL  
HOW THEY ADAPT TO THE  
INCREASING PACE  
OF CHANGE.

POST-ELECTION,  
IT'S TIME TO RETHINK  
YOUR POLITICAL SPENDING

AUTHORS PICK THE YEAR'S  
BEST BUSINESS BOOKS

CEO PAY IS UNDER CONTROL,  
BUT WHAT ABOUT FOR OTHERS?

THE CONFERENCE BOARD



Winter 2013  
[www.tcbreview.com](http://www.tcbreview.com)



WILL YOU  
BE

# PEOPLE PREPARED?

TOP EXECUTIVES REVEAL HOW THEY ARE ADDRESSING  
TODAY'S METEORIC PACE OF CHANGE.

BY VADIM LIBERMAN

**BY THE TIME YOU REACH THE END OF THIS ARTICLE, APPLE WILL HAVE RELEASED A NEW iGADGET, FACEBOOK'S SHARES WILL HAVE BOUNCED UP AND DOWN, BRAZIL WILL BE THE NEW CHINA, THE UNITED STATES WILL BE THE OLD CHINA, AND WHATEVER PAPER OR SCREEN ON WHICH YOU'RE READING THIS WILL SEEM LIKE AN ANCIENT RELIC FROM FIVE MINUTES AGO. THEN THERE'S YOUR TO-DO LIST, MORE LIKE A TO-DO BOOK—NO MATTER HOW MANY PAGES YOU SPEED THROUGH EACH DAY, YOU'LL NEVER FINISH IT.**

Doing business today, as it was yesterday, is about managing change. And there's ever more change to manage. How do you develop a five-year plan when the next five *days* seem hazy? The velocity at which marketplace evolutions and revolutions churn nowadays is frustrating at best, damaging to your company at worst. There are more decisions to make and less room for error, more complex information and less time to process it, greater competition and consumer demands and fewer minutes to respond to them . . . and yet you hardly have the luxury of using any of this as an excuse for failure. You have to be prepared not for tomorrow but for right now.

So we wondered: Given the current faster pace of change, will your people be ready when—not if—your organization shifts direction? How easily will they be able to shift from one workplace layout to another, from one business function to another, from one global region to another?

To find out, we asked two dozen top corporate leaders working in the trenches of change management, talent development, learning, workforce planning, and organizational development at companies such as Wal-Mart, Verizon, Shell, General Mills, Pfizer, Caterpillar, and other big businesses how they are addressing today's dizzying rate of change. Below, you'll discover plenty with which to commiserate, but take a deep breath, because you will also find various perspectives and advice that you may infuse into your own company. Their replies span the gamut of change management.

Ultimately, the future will always be uncertain. Here's how to make it a little less so. Maybe.

## “NOT IN KANSAS ANYMORE”

**Diane Holman, Chief Talent Development Officer, Wolters Kluwer**

Companies today cannot wait for external changes to happen to them before doing something. By only reacting to what customers want, you'll always be behind your competition. To be an industry leader, you have to anticipate the next thing.

We are in an industry that has gone from print publishing to online software and services to now data analytics, and we're in the process of addressing this. In the old world, we knew who our competition was—print publishers like McGraw-Hill, Reed Elsevier, and Thomson Reuters. They are still our competition, but now there are other game-changers, like Google. Why, as a customer, do I need to pay for certain information—regardless of print or online subscriptions—when I can get much of it for free by Googling it? We can no longer make decisions that are tied to the legacy of print publishing. It's important to acknowledge there are many digital companies as our competitors. If you always associate yourself with a competitor that's a print publishing house, then you tend to keep operating like one. The world has changed, and we need to get out ahead of it.

It can be challenging to respond to such rapid changes because people by nature tend to get comfortable with the status quo and resist change. Meanwhile, we also need to rethink what our talent needs to be successful in a rapidly changing environment. While they may have the technical skills and capabilities we need to get the job done, we need to also ensure they have the abilities like agility, resiliency, and adaptability.

To ready ourselves better for change, we're spending time with our customers. Like every organization, we try to believe that we're always doing that, but we've increased efforts to have more one-on-one conversations with them to better understand their requirements and how their own worlds are changing. We're also focusing on external trends and data more. Again, it sounds so simple. Everybody says they're doing this too, but sometimes you get insular in your thinking and you focus more “inside out vs. outside in.” Finally, we're seeking out more people with business intelligence to really drive decision-making using good data. Again, one might say, “Well, doesn't everyone make decisions this way?” Well, no, they don't.

## SHIFTING MINDSETS

**Kirsten Marriner, Senior VP, Director of Talent Management and Development, Fifth Third Bank**

When addressing change, you've got to be clear about what you want people to do and expect that some will struggle.

Twenty years ago, I worked for a small bank that was moving from tellers who just processed transactions to a sales culture. The bank wanted tellers to initiate conversations to sell products and services. Some people didn't want to do that; they picked a bank-teller job because they liked providing service, period. So some self-selected out because they realized the job was no longer for them. That's OK. By being clear on expectations, the bank was able to retain the right workers.

Similarly, at Fifth Third Bank, we're three years into a shift in how we deal with clients, to a more holistic-based approach geared to meet a broad set of their needs. Historically, our approach has been sell, sell, sell—very product-based. “What have you sold today?” literally was the screensaver when I got here eight years ago. Now, we're focused on having employees collaborate proactively to put together comprehensive financial solutions. This involves a major mind-shift, and it's taking some folks longer than others to adjust, but by training people on diagnosing customer needs and approaching clients using various role-playing and coaching techniques, highlighting success stories, and rethinking how we write and measure performance goals, we're getting there.

## LET'S GET SOMETHING CLEAR

**Mary Slaughter, Senior VP of Talent Management and Development, SunTrust Bank**

More than ever, we're being very deliberate about moving talent. SunTrust moves talent for three reasons: to develop individuals as leaders, to enhance operational performance, and to accelerate organizational change. Sometimes it requires major shifts of business leaders across organizational boundaries: The company has moved talent from corporate functions into revenue-generating positions and vice versa, like moving people from investment banking into HR or from risk management into field roles. This helps with the longer-term goal of building a leadership pipeline as well as the near-term goal of fostering new conversations and different perspectives to happen within departments.

We've also gotten more specific about defining jobs, because in an industry immersed in so much change and ambiguity, an organization should strive to not introduce even more uncertainty due to unclear decision-making processes. With ongoing changes such as increasing regulation, changing client needs, and other global market forces, it is important to be really clear about decision-making processes. We've had to get more specific about role clarity, defining not just what the company needs our teammates to do but what it does *not* need them to. It promotes both efficiency as well as effectiveness.



**MANAGING CHANGE ISN'T REALLY ABOUT FOCUSING ON DEVELOPING PEOPLE'S TECHNICAL SKILLS—IT'S ABOUT HELPING PEOPLE UNDERSTAND HOW TO ADJUST THEIR PERSONAL IDENTITIES.**

### **“WHAT DO YOU MEAN I’M NOT A—!”**

**Lauren Chesley, Director of Change Execution, Verizon**

There’s a misconception that what makes change difficult is the physical movement of workers. Actually, it’s ensuring that employees make a psychological transition that challenges us most. If all of your life, you worked in one kind of job, it becomes part of your personal identity. Now all of a sudden, you have to do something new, and you think, “Wait, I’m not an engineer. This new job is not who I am; it’s not how I ever saw myself.” Managing change isn’t really about focusing on developing people’s technical skills—it’s about helping people understand how to adjust their personal identities.

At Verizon, we look for resilient employees who have an aptitude to survive in any situation in our constantly changing industry, but, most importantly, we look for employees who understand that our focus on the customer is our top priority. Customers’ needs, wants, and interests change on a dime, and we look for employees who can be just as agile in helping serve our customers and adapting to these changes

to make sure they have the best experience possible. Once we find such people, training them in new technical skills becomes a no-brainer; we worry about that once they’re on board. I’d rather hire a person with a passion for our mission and culture of putting our customers first than bring in someone who’s very technically strong but may not come to the table with the same degree of enthusiasm or commitment.

Nonetheless, we do struggle with timing. We work in a constantly changing, fast-paced industry that requires employees to be agile and able to quickly adapt to everything from new products and services to new competitors in our space. What may be a very sound business strategy in November 2012 may be less sound by November 2014, and because of the ever-changing environment, focusing on finding the “right person” with the personality and passion for the long term versus the right “skills” for the short term can make all the difference in how we capitalize on this time before we have to change again.

## AN INSIDE JOB

**Daniel Sonsino, VP of Talent Management, Learning, and Development, Polycom**

For the first half of our twenty-year history, we were known as the conference-phone company. Our company name had become a noun: “Polycom” was anything that related to audio-conferencing hardware and technologies. As the technology improved and bandwidth increased, our customers began looking to combine their audio investments and add video services. And now, many companies are assessing their capital expenditures and want to ensure they have the best total cost of ownership. As a result, we’re making another shift: In addition to room-based systems, Polycom is expanding into the small-to-medium-business space, mobile, services, and cloud-based software. At the same time, everyone is starting to bring their own devices to work, so our products also have to work on whatever platforms people are bringing to the office. It’s a major transition for us. We still need hardware specialists, but at the same time, we’re developing software skills in workers. In the past, we would have more time to make this sort of change, but now the cycle has compressed. We need to be more productive. Timelines are much more truncated. The old notion of giving workers two weeks of onboarding, putting them through a three-month course, and blah blah blah—that’s all gone. This transformation has got to be on-the-job and more targeted and niche.

Some people will make this transition; others will part ways with us. But the real issue is not about the skills themselves—it’s about the shift in mindset, from being a hardware to a software company. Getting people to understand this is the hardest part. Once they embrace where we’re going, employees and the company will be in a far better place to succeed. That requires very visible leadership that will not under-emphasize the breadth of change, which is something that some leaders at other companies might do to ease a transition. We feel that in order for this transformation to be successful, it needs to be led from the inside, because external consultants don’t understand our company or our people; they don’t have the credibility. For a change to be successful, you’ve got to take responsibility and accountability for it from the inside, have visible champions across the organization, paint a picture of the end state for all employees, engage them throughout the process, and demonstrate quick wins. With everyone working toward the same goal, success is inevitable.

## THE SWINGING PENDULUM

**Bonnie Fetch, Director of People and Organizational Development, Caterpillar Inc.**

Caterpillar hasn’t had to reinvent itself like many other companies, but we’ve had to adjust to technology changes and consumer demands to remain relevant. While we’re not always perfectly ready when change happens, we’re pretty rapid in our response. Partly, that involves rethinking the skills we look for in people.

Once upon a time, we’d have decades to develop a professional throughout the course of his or her career. As the pace of change in the world is coming at us more quickly and as we grow in emerging markets, we’ve had to figure how to get people up the learning curve quicker. In doing so, as recently as twenty years ago, we focused on deep functional expertise. As we got into the 2001-to-2010 timeframe, we experienced significant growth, and we had a lot more cross-functional movement, in part to develop leaders to take on broader roles and in part because we got enamored with helping people get breadth of experience. But in the last few years, we recognized that we were moving people far too frequently and maybe trying to give people more experiences than were necessarily healthy for the organization or our customers. So now, we want to move people around cross-functionally only when it makes sense for their intentional development. The pendulum has swung back to a notion of deep expertise—which doesn’t mean that we expect our leaders to always be experts, but the good ones know how to leverage their networks rather than just try to figure things out on their own.

## RECOGNIZING RISK

**Ton van Dijk, Senior Advisor of Global Resource Planning, Shell**

We have a history of doing scenario planning to explore what the future might look like and the likely changes of living in it, but in the end, like every company, we must make strategic choices and choose specific directions. That means that sometimes we have to pre-invest in developing certain skills in people that may only become relevant at a later stage than originally planned for. There are always going to be such considerations. That’s just the nature of business.

Still, some companies make the mistake of prematurely releasing personnel when their skills are no longer needed—e.g., in times of downturn. We don’t usually do that because we recognize the long-term nature of building skill-based capacity. We know we will need skilled professionals in the future, and it would take a long time to rebuild capability once gone. Of course, one of our goals is to ensure that we recruit people who have the capability to be very flexible to move from one business unit to another, too.

“ As the pace of change in the world is coming at us more quickly and as we grow in emerging markets, we’ve had to figure how to get people up the learning curve quicker.



### ONE SIZE DOES NOT FIT ALL

**Kevin Wilde, VP of Organizational Effectiveness and Chief Learning Officer, General Mills**

A major shift for us has been expanding beyond traditional media into digital media, which we began preparing for years ago by visiting Google and Apple. Also for the past number of years, we’ve made efforts to build competencies around using new media. In some cases, this required us to bring in expertise from outside.

Still, the tough balance for us remains how to execute

today’s business plans using today’s capabilities and still be ready for the future. I don’t have the perfect answer for how to get that balance right, but I do know the problem is not so much *how long* you take to develop someone but *how* you do it. That means constantly adjusting a person’s development curriculum to broaden the individual. For example, our leadership institute ensures that anytime anyone makes a transition into a new role, that person gets individualized training. You need to have a feel for context and that person’s skills rather than use a one-size-fits-all approach to development.

## THE NEW NORMAL

### Jan Walstrom, Chief Learning Officer, CH2M Hill

A diminishing pool of graduates in sciences and engineering will be a challenge for us in the coming decades, but more than a skills gap, the larger problem at lower levels is an expectations gap. Today's entry-level workers expect to have to do something only once, check it off, and now they're good at it. That's not how this industry works. You don't get a stripe on your sleeve for doing something once. Granted, these days, people can get a lot more practice at different things a lot faster, but the pace of change also means that they have less time to give and get feedback, and reflect on it.

Additionally, the pace of change creates a lot of discomfort. People want change to be simple and quick: Make the pain go away; let's have it be done fast. Change is really, really hard and takes way longer than you could ever want to imagine. People try to fight change; we try to shove ourselves against this rock as if we're going to stop change from happening, when frankly, feeling uncomfortable is good because we don't challenge ourselves without being stressed. The real way to grow is to get comfortable with being uncomfortable. That's where good leadership comes in. It's up to leaders to get their people to be part of the change. Unfortunately, the most common mistakes managers make is that they're willing to declare victory too soon. You can't over-communicate. We encourage our leaders to say the same message fifty-two different ways, like a broken record, to get it through to people so they embrace and act on change. We struggle with this every day, and though we're not great at this yet, we're working like the dickens to get better at it.

## CHANGE WHERE YOU NEED IT

### Michael Trusty, Head of Capability Consulting, Rolls-Royce

Many young people entering into apprenticeships today have different experience and a different skill set than people did ten to fifteen years ago. They are very comfortable with the electronic world and with computer models but may have less experience building in physical space what they designed electronically. To address this, Rolls-Royce ensures a balance of hands-on manufacturing and assembly skills along with electronic and computer skills when planning the training of our graduates and apprentices.

More broadly, while I don't like clichés, I don't know any other way to say it: It comes down to learning agility. The people who have a comfort level with ambiguity and can pick up concepts easily are the ones who will thrive. Twenty years ago, you went to school and you carried the knowledge you learned in your head to get your work done, but you can't have everything in your head anymore. The pace at which information now flows means that those who are most ready for

change, particular in knowledge-driven organizations, don't just apply what they know but can quickly seek out and assimilate new information. Our strongest senior executives are able to process and assimilate large amounts of information to enable them to rapidly make decisions.

But I want to be clear that not all strong leaders need to be change leaders. For example, factory plant managers often want strong operations leaders, not change leaders. If a certain production process takes twelve minutes and twenty-three seconds, many plant managers will want supervisors who would get excited about doing the work in twelve minutes and twenty-one seconds the next time, then twelve minutes and nineteen seconds the next and so on. They would not want each supervisor independently leading some radical change—it needs to be aligned with the overall objectives of the plant, because it can be just as dangerous to drive change where you don't need it as it can be to respond wrongly to change where you do.

## ALL TOGETHER NOW

### Scott Cohen, VP of Talent Practices, MassMutual

Collaboration is extremely important to prepare for the future and provide top value to customers and their changing needs. In the past, people here emphasized their own work rather than group goals; we have begun to redesign some work throughout the organization around teamwork and increased cross-training, so whereas before, one person would work on a certain type of claim, now we have inter-functional teams able to assist one another as needed. And because every day can bring new challenges, each day begins with groups engaged in one-hour huddles facilitated by managers. During these meetings, employees put up metrics on white boards to review the previous day's accomplishments and discuss potential new challenges they'll face. These meetings give everyone a chance to be tuned in, in real time, to what everyone's working on and how they can help each other.

This reconfiguration around teamwork has given us a chance to start from a blank slate in identifying leaders who can lead in a new, more collaborative environment.



It's resulted in greater recognition of our front-line people, especially given that they often have special insights into consumer demands. As we've worked to identify leadership skills in individual contributors, we've begun to challenge traditional assumptions about who might make a successful manager. Not all of the selections we've made have been perfect, but we have many success stories.

### **SIMULATING CHANGE**

**Craig Gill, Director for the Development Center of Expertise, Deloitte Services LP**

To be ready for what comes our way, we've had to build up skills related to industry knowledge, communications, business empathy, and leadership. This sort of soft stuff is actually the hard stuff to teach, and we've come to realize that these skills must be taught very differently than technical skills. It's made us adjust our approach to teaching, where we now teach these competencies more experientially, through role-playing and simulation. We do much of this at the Deloitte University, a \$300 million state-of-the-art learning center in Westlake, Texas. For instance, when someone's promoted to manager, rather than put that person on the job immediately, we have a weeklong program that embroils the person in simulated days of a life of a manager so that the individual can receive practical coaching. It sends workers

out into the field more productively equipped for their assignments.

### **REDEFINING GOOD DECISIONS**

**Kurt Metzger, VP of Talent Management, Prudential**

To keep up with change, we're trying to drive skills around intelligent risk-taking—that is, how do you make smart decisions with imperfect information? To do this, we've had to rethink how we recognize people. We think it's more important to reward and compensate people for going through the right decision-making process as opposed to strictly based on outcome—because a good decision doesn't always have a good outcome. To help people make better decisions, we're training them in all sorts of ways, including using simulation-type programs to replicate real-life problems. Will all this ensure

that we'll always be in front of every change? Obviously not. There will always be things that will blindside us, but if we position ourselves in the best possible way so that we can manage what is or could be known, we'll have more space to deal with things that will truly surprise us.

## THE RIGHT QUESTIONS

**Mark Sullivan, VP of Talent Management, Battelle Memorial Institute**

Battelle is a government contractor that manages national labs and billion-dollar assets in Big Science, addressing national interests like security, health, and energy. In part, Battelle is paid to manage workforces that ensure critical infrastructure protects or optimizes our country's health and safety; this includes assets like nuclear facilities to disease management/infectious controls. One of our current biggest challenges is that the company's major customer, the U.S. government, is now broke. This has caused Battelle to be more careful in placing strategic bets on what it thinks the government will fund/need and on how to deliver that value in a way that will best serve the national interests of our country in an efficient manner. It's especially risky now because if you spend research dollars developing the wrong projects, you will be out in the cold.

So we do a lot of intelligence gathering (voice-of-the-customer) work with key contacts in DOD and DOE and on Capitol Hill to get a better sense of current and emerging priorities. However, there's usually not enough information or even contradictory information about the nature of our national threats and opportunities. More than ever, sorting through what to pay attention to and how to creatively address complex solutions is something we need to get right every time. Quite simply, this involves innovative thinking mixing the practical with the visionary while listening, testing, and experimenting along the way. This is what we are known for—therefore it requires more reliance on our talent than the technology itself.

The secret sauce for Battelle is having people who know how to ask the right questions, critically think in ways that are not obvious, and sometime listen to the unarticulated but present messages in the mix. Given that we are regularly asked to solve some of the world's toughest problems, the thinking behind the doing becomes the game-changer. The truth is, some can and some can't do that, so Battelle's greatest differentiator is in ensuring it has that capability on every customer-facing team. So for example, what some rogue element might do at 3 a.m. is hopefully being successfully addressed in a productive manner so that our collective future continues in a safe and secure manner.

## THE EMPATHETIC LEADER

**Debra Clawar, Global Head of Talent Management, Leadership Development, and Staffing, Novartis Pharma AG**

A big piece of implementing change effectively has been helping executives understand their role as change leaders rather than simply change managers. Change leaders not only understand the change journey but take an active role in helping others along that process. A leader's ability to be self-aware, to use that awareness consciously to the benefit of others, is a key ability of change leadership. Novartis is focusing more on creating approaches to enhance self-awareness for our leaders, coupled with key skill-building in areas like coaching, influencing, and storytelling.

## WHEN NOT TO CHANGE

**Craig Williams, VP of Global Organizational Effectiveness, Walmart**

The quicker pace of change causes many companies to become victims of indecision. Many keep doing the same thing, thinking a problem will go away or take care of itself. Other companies suffer from the opposite problem: They don't think through how quickly a decision needs to be made or whether change is necessary in the first place. The pace of external change may be quick, but that doesn't necessarily mean organizations have to change quickly internally. Sometimes, you really do have more time than you think to make decisions. The key is to rely on good data. If a major change is necessary, you undertake it based on data, not because you're panicking that a competitor launched a new product.

Too often, organizations make knee-jerk decisions to restructure or significantly shift responsibilities, which rarely address the problems and often make them worse. Moving people around on a chessboard and drawing new lines and boxes is a two-dimensional approach that probably will not address anything you're really trying to solve. Research studies continually show that the reason that 70 percent of change efforts fail is primarily because of mindsets, attitudes, and behaviors—the soft stuff, the people stuff. That's why we train our managers in the psychology of change, to be attuned to their employees' concerns and thoughts.

It's equally important to realize when *not* to stick to a change. A good example is how over the last few years, we worked to change a number of things in our U.S. stores, such as assortment—but we found that our customers did not want some of those changes, so we quickly reverted to what worked before. When we make mistakes, we quickly learn from them and leverage them in our next steps, and we don't pull out our hair and bemoan that something didn't work out.

## GOING GLOBAL

### **Shawn Zimmerman, VP of Global Talent and Organization Capability, The Hershey Co.**

Too often, companies get organizational ADD, where they develop a strategy and then something comes along that distracts them—some bright, shiny, new thing that doesn't necessarily fit within the strategic framework. That creates potential distractions and more internal change than is necessary. At Hershey, we're very focused on sticking to our strategy for disciplined growth. Growing globally presents enough challenges; we try to avoid compounding the difficulties by staying the course and not deviating from our strategic plan.

For example, the challenge for us has centered around our global expansion. In a mature market like the United States, where we have significant experience and credible amounts of information, analytics can drive 80 percent of our decisions, and leaders' intuition can drive the other 20 percent. When we go into emerging markets, like Asia, Africa, and the Middle East, where our internal experience is not as strong and data is lacking, it's the reverse: We no longer can rely on the tried-and-true methods we're used to—we need to adapt to the local markets and build up our capabilities.

Once you venture outside your mature markets, where data and internal experience is readily available, you need to find a balance in building local capabilities and buying those capabilities you may not have time to develop. Therefore, we strive to find a balance in who we hire and develop, with an emphasis on global enterprise mindset, delivering results, and novel and adaptive thinking. In order to keep up or stay ahead of the pace of change in a global marketplace, it is critical that you invest in building local capabilities, hiring and developing local talent so you can sustain and enable further growth to meet your strategy.

## FORGET THE FIVE-YEAR PLAN

### **Howard Marcus, VP Management and Organizational Development, McGraw-Hill**

We have a senior leader here who says there's no more business as usual, and there never will be—this approach where you set your agenda and budgets at the beginning of the year and at the end of the year, you're assessed on those objectives, and in the meantime, "Leave me alone!" Companies that continue to stick to a strict annual performance cycle with yearly objectives are going to have a problem. The new reality is that we're planning and assessing and revising multiple times during the year because the pace of change has exploded. This means that we've had to re-think our performance-management process so that it allows for ongoing documentation and changing of goals when necessary.

The same is true for the company as a whole. We're continually changing our time horizons. The idea of a five-year plan may have made sense a few years ago, but the planning cycle has greatly shortened. This doesn't necessarily mean we're doing things dramatically differently—just being more flexible, realizing that plans made today will be reassessed in a few months. For instance, we had plans to roll out a new global curriculum for leaders, but we held off until we could re-evaluate its content after recently announcing the sale of one of our lead divisions. Really, the key to doing business in this climate of change is being very clear on strategy and very flexible with goals. As for actually training people to be more flexible and adaptive, we don't really do that here. I'm not even sure what such training would look like. We do, however, build innovative thinking skills, out-of-the-box techniques focused on creating value and driving change.

## "MEDICINES ARE NOT IPHONES"

### **Mark Ferrara, VP of Talent Management, Eli Lilly and Co.**

I remember when voice mail emerged to replace those pink slips of paper when somebody called, the vice president I worked for said, "We will *never* get voice mail. I want to talk to a human." Today, I get almost no voice mail; I communicate through text and instant messages and emails. The speed at which we communicate today is faster than what I think wisdom would say is prudent. Just because I get an instant message doesn't mean I have to instantly answer it, but you're sometimes baited into doing so simply because technology makes it possible—even though it would be wiser to think through your answer in greater detail and depth. It's the tyranny of the urgent. Similarly, companies make decisions too quickly just because they feel they have to, but I'm more interested in a company seeing the bigger picture than providing what they think is the right answer *right now*.



That's especially important, if at times hard, for a pharmaceutical business like Lilly because there is constant pressure to help get solutions to patients faster. We have a public that is a lot more demanding these days, with more avenues than ever to express their demands. How do you explain to the public all the complexities involved in introducing a new drug? It's harder to put a new drug on the market than to put a man on the moon these days. Though there's a tendency to want to rush things due to the fast pace of business, to shave off every single minute, we don't because patient safety must come first. Medicines are not iPhones.

## AVOIDING BURNOUT

### **John Zoeckler, Global Change Management CoP Lead, Air Products and Chemicals**

Any time you make a decision, it can impact a lot of other departments. That can be tricky, especially when people are spread across geographies. For example, as a result of cost pressures, we use our various engineering offices located in other countries for some of our engineering work. How do you manage a project that comes from corporate headquarters, gets designed in China, and then made in a plant in South Korea? In an increasingly global economy, it's a challenge for us to make that happen. One way is by transferring knowledge through a corporate university, which helps ensure everyone's skills are updated. Also, in many businesses, competency models are quite dated; job descriptions haven't

changed for years, even though the jobs and the skills needed have. We're always striving to enhance our competency base.

In addition, an organization can become flexible and accustomed to change so that moving fast becomes part of the culture. The risk, though, is that hasty decision-making can cause poor outcomes, and people start to get tired. There's a fatigue factor. They wish that just for a couple of weeks, things would stop so that they can take a breath and get good at what their most recent role is. That's why we try not to implement changes too quickly, so that people really have a chance to fully incorporate the latest shift. Otherwise, the original intent of the change falls short. It's important for an organization to avoid oversubscribing its resources.

## CULTURE SHOCK

### **Sun Sun Chung, VP of Global Learning and Development and Strategy Integration, Pfizer**

Up until the end of last year, there was a perspective—or hope—that the changes and upheaval that the industry and the company were going through as a result of the economy would stop. Personally, I experienced a shift in my mind—instead of waiting for change to slow down, I asked myself: How do we operate better with the expectation that change is constant and faster now? A lot of the answer deals with our culture.

In recent years, our strategy has been to move from a country-, region-, or location-based leadership and hierarchy to a much more matrix-business-unit structure with a focus on therapeutic areas or diseases. It's a cultural shift that has moved away from a direct command-and-control model. In fact, when we got a new CEO in 2010, we did a full cultural

**AN ORGANIZATION CAN BECOME FLEXIBLE AND ACCUSTOMED TO CHANGE SO THAT MOVING FAST BECOMES PART OF THE CULTURE. THE RISK, THOUGH, IS THAT HASTY DECISION-MAKING CAN CAUSE POOR OUTCOMES, AND PEOPLE START TO GET TIRED.**



analysis to determine whether we have what it takes to achieve our goals and where we want to be in the longer term. The answer was no. So we've been really working on shifting our culture around this matrix-, rather than location-based, model. In some instances, this required developing different skill sets to help employees understand how to operate within the new framework. Instead of having managers come in for a three-day training session or dumping a binder on their desk and saying, "Here's everything—now go away," we've spread training across six to eight months in a curriculum focused on key business concepts, financial acumen, and other skills to adjust people to the new structure.

### **CONCENTRATE ON THE CONTROLLABLE**

#### **Bill Tarnacki, Director of Talent Management and Corporate HR, Pulte Group**

The pace of uncontrollable change was so fast between 2010 and 2011 that dealing with it was almost impossible. We were being impacted tremendously by rapid changes in industry dynamics, including changes to legislation that were impacting new home sales. For example, Pulte's mortgage arm was contending with what seemed to be two to three new pieces of legislation a week, so whatever you thought you were doing to approve mortgages the week before changed so that you couldn't approve them anymore.

At one point, we were looking to partner with a national bank to comply with various certification laws, but within several months of kicking off the process of finding a partner, the legislation changed. We wasted a ton of time and money going on a path that new legislation ultimately invalidated. This kind of stuff happens all the time, and the best thing a company can do is try to manage the change that it can control and recognize that other change is uncontrollable—and then have some sort of monitoring process to gauge the latter. When it comes to legislation, for instance, it's helpful to have feet on the ground monitoring congressional discussions to get a sense of what bills are running through.

We also look more broadly toward vendor education. Instead of looking at the vendor across from us and pounding the table and saying, "We demand that you shift and do it this way," we educate and help vendors up and down the supply chain. They don't operate independently, and helping them do their work better helps us too.

### **THE SPECIAL PROBLEM OF SPECIAL SKILLS**

#### **Eric Biegansky, North American Change Management Practice Leader, KPMG**

We often hire for specialized technical skills because clients are demanding depth in targeted areas to add value

to solve their business problems. The challenge becomes how to develop these people when they lack the appropriate breadth, business acumen, or "fit." For instance, right now, we have multiple large client engagements for which we need very specialized science skills, so we hired the right people—but what happens when that project is over? Some of these people don't have the breadth and depth of expertise across the board to reinsert themselves into our practice.

We also deal with clients on the opposite extreme. The client may have five hundred people in the finance function, and no one has a specialized role—everyone is a Jack or Jill of all trades. It's very inefficient. You clearly don't want that, so you need some degree of specialization. But if you tip the needle too far in one direction, you have a problem.

So what's the solution? I've seen a lot of clients choose a flexible, contract-labor force. When they need people with certain skills, they hire them without bringing them into their payroll. That might work to an extent, but you cannot just farm out 30 percent, or whatever, of your workforce. There's no perfect answer, other than to say that we try to hire as much as possible for baseline, more transferable, traits related to interpersonal relationship management and emotional intelligence. My bias is to be extremely careful when we're hiring someone for a very niche, technical fit—because unless we can generate sustainable long-term value from a worker, we're going to have problems down the road.

### **THE THREE-YEAR RULE**

#### **Patsy Doerr, Global Lead for Diversity & Inclusion and Learning & Development, Thomson Reuters**

Because of the pace of change, people get exposed to a lot more experiences in a shorter time frame than they used to. This gets more acute when you go into rapidly developing economies, where people are exposed to four to five times as much change as at corporate headquarters. I know a lot of people find this frustrating, but I think this is all for the positive. It helps accelerate learning. Sure, things come at us faster these days, but technology also makes it possible to get things done faster.

Everything is a double-edged sword, though. When it comes to learning new skills or understanding different functions of a business, three years, on average, is a good amount of time to be in a role and make an impact before moving on. A lot of people wish to leave earlier, while others stay on too long in their roles. Being in a role for only eighteen months or a year, for example, is just not enough time to learn what you need. I almost wouldn't even count it as a valuable experience. ■