



Business Knowledge Services Executive Briefing

June 1, 2009

Legend:

Knowledge Categories

- Career Development - CD
- Executive Leadership - EL
- Management - Mgmt
- Personal Development - PD

Knowledge Sources

- BusinessWeek - BW
- Harvard Business Review - HBR
- Wall Street Journal - WSJ

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Decoding Resistance to Change - Jeffrey D. Ford and Laurie W. Ford (HBR) - EL

Summary – When a decision has been made, very few people like to encounter resistance. Most of the time, the initial thought is to invite those who disagree with us to leave so that we can move forward with the decision that has been made. If we were to take a closer look however, what we might find is that even a strong leader can learn something from their critics.

The authors of a recent Harvard Business Review article offer that if a leader decides to change their mind-set then they may be able to glean useful insight from what was previously considered to be resistance. As a result of their research and consulting efforts in the area of change initiatives at large and small companies, the authors provide the following five ways to use resistance to effect change productively:

1. **Boost awareness.** Make sure that those most likely to be impacted by whatever change being considered, are made aware as early as possible.
2. **Return to purpose.** Make sure there is clarity surrounding why the change is necessary.
3. **Change the change.** Consideration of the resistance being encountered can potentially lead to better results.
4. **Build participation and engagement.** Provide opportunities for those impacted by change to be heard. This action alone could result in buy-in.
5. **Complete the past.** Occasionally resistance to change is rooted in past efforts which failed. Because people expect history to repeat itself, effort must be made to acknowledge past errors.

Historically, resistance to change has been considered a negative thing. Whether it goes by the name of pushback, foot-dragging, or not buying in to the program; no leader looks forward to “resistance”.

According to the authors, whether or not resistance is experienced is truly up to how the leader receives and interprets the feedback he is given.

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How the Mighty Fall - Jim Collins (BW) -EL

Summary – Jim Collins, the author of the books *Good to Great* and *Built to Last* conducted a study of companies which have fallen from their position of prominence since they were previously profiled in his earlier works. The results of his research were recently published in a book entitled *How the Mighty Fall and Why Some Companies Never Give In*.

One of the things that the study identified were certain behaviors that leadership teams exhibit while a company is on its' way up and on its way down. When a company is on its' way up some of the behaviors exhibited by leadership teams are:

- **People bring forth grim facts to be discussed.**
- **People bring data, evidence, logic, and solid arguments to the discussion.**
- **Team members unify behind a decision once made.**
- **Team members argue and debate in order to bring forth the best answers to support the overall cause.**

The results of the study led to the creation of a model called the Five Stages of Decline which purports to describe the sequence of steps that a company goes through as it proceeds downhill. The stages are:

Stage 1 – Hubris born of success. (Success begins to be regarded as an entitlement.)

Stage 2 – Undisciplined pursuit of more. (Companies stray from the disciplined creativity which led them to greatness.)

Stage 3 – Denial of risk and peril. (Negative data is discounted while positive data is amplified.)

Stage 4 – Grasping for salvation. (Survival instinct causes leaders to lurch from one strategy to another as opposed to getting back to a calm, clear-headed, and focused approach.)

Stage 5 – Capitulation to irrelevance or death. (Setbacks and false starts lead to concerns regarding whether the company will survive.)

Even though the study identified the stages of decline that companies experience, history teaches us that companies can recover given the right leadership (some examples are Xerox, HP, and IBM). The research further went on to identify important traits of "the right people" to lead companies back from the brink. Some of these traits are:

- **The right people don't need to be tightly managed.**
- **The right people understand they have responsibilities not jobs.**
- **The right people fulfill their commitments.**

Recovery will only take place with persistence and with the leadership who are intent on skipping shortcuts and rebuilding the firm to last.

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Boost the Troops Morale After a Round of Layoffs - Elizabeth Garone (WSJ) - Mgmt

Summary – Layoffs have become a recurring event during this economic downturn. Because of this, managers must be prepared to deal with any morale issues resulting from downsizings. Here's how:

- **Find alternative incentives** (if monetary rewards are not an option).
- **Transparency is key** (Keep employees informed on plans to deal with economic challenges).
- **Recognition counts.**
- **Keep educating.**
- **Promote a good work/life balance.**

It's even more important after layoffs to recognize the exceptional work that is being performed and to ensure that those who remain in the organization are motivated. Rarely does a decrease in the number of personnel result in a decrease in workload which means that everyone who is still around will be counted on even more.

How to Hire and Get Hired in a Recession - Jason Calacanis (BW) - CD

Summary – It is well known that during times of high unemployment most employers take advantage of the opportunity to be very selective when filling openings. A recent BusinessWeek article provided some advice to employers on the topic of how to find hard workers. Some of the recommended questions to ask when interviewing are:

1. **Do you consider yourself a workaholic? Do you think there is anything wrong with being a workaholic?**
2. **How would you feel if we all needed to come in on the weekend to make a deadline?**
3. **How would you feel if this happened two weekends in a row?**
4. **Do you live to work or work to live?**
5. **Do you check in while on vacation or do you totally unplug?**

While these questions might seem harsh to some, the author's point is that if a business is at the stage that it needs workers who can push it to the next level then the leaders should be prepared to identify those individuals early in the hiring process.

If you are one who believes that you possess the skills to significantly improve a business' bottom line then you should be prepared to state your case when the conversations begin.
