

# The Key to Change Is Middle Management

by Behnam Tabrizi | 10:00 AM October 27, 2014

At the inaugural meeting of a change transformation effort under way at a hospital in San Jose, California, nurse Michelle delaCalle faced a room full of people who were discouraged by the organization's earlier attempts at change. She stood and shared a story of her own about how making people wait for hours in the emergency department seemed like a violation of her caregiving role. Her story seemed to move people. "I could feel my own intensity," she said, and when she was done speaking, she could tell that people finally understood the need to change.

Change efforts often crumble into excruciatingly dull meetings and PowerPoint presentations. This hospital's effort won't, I believe, because of people like delaCalle. A mid-level manager in this 5,000-employee hospital, she is leading a 70-member group on patient flow as part of a larger organizational effort. Her ability to lead and inspire — to become a change leader from her position as a mid-level manager — is helping her team produce results. For instance, flow is improving: patients are moving from the emergency department to beds faster, and the number of patients discharged before 11:30 a.m. doubled from 20% to 40% between July and December 2013, and has stayed at that level since.

I studied large-scale change and innovation efforts in **56 randomly selected companies** in the high-tech, retail, pharmaceutical, banking, automotive, insurance, energy, non-profit, and health care industries. My research found that the majority of the efforts failed. A hallmark of the **successful 32%** was the involvement of mid-level managers two or more levels below the CEO. In those cases, mid-level managers weren't merely managing incremental change; they were leading it by working levers of power up, across and down in their organizations.

I recently took another look at my 553 hours of interviews with 380 executives, managers and contributors to see why some managers emerge as change leaders. I found a few defining characteristics:

## **1. Change leaders have a North Star — and they talk about it.**

Many change efforts fail because people reduce themselves to checking boxes in safe, defensible systems such as **Lean and Six Sigma**. Successful change leaders, on the other hand, are open, bold, and have a clear sense of their motivations. Take, for example, Kirk Girard, planning manager for the County of Santa Clara, who was tasked with overhauling the permitting department, which issued 4,000 permits per year from behind a 70-foot long counter with no public computers. When complaints to elected officials started mounting from property developers dissatisfied with delays, Girard pulled together a team from many divisions to address the problem. Drawing on his experiences as a sustainability advocate, he motivated the group by reminding them that people are more likely to abide by regulations if regulatory authorities are credible. The question then became: How to establish credibility by making permitting easier and quicker? With their goals aligned, the department was able to get rid of some of the hitches in the process, such as communication between siloed departments. The permitting time has since been nearly halved for key pilot projects.

## 2. Change leaders use a GPS to guide them toward their North Star

Change leaders are visionaries. But they recognize that they — and the organization — need a process to help them reach their goals. They adopt a process, stick to it and inspire others to embrace it. The one that I wrote about in my book, *Rapid Transformation*, has five stages:

- *Inspiration* — where leaders adopt the vision to capture people's hearts and minds
- *Shifting the mindset* — change leaders make sure they themselves are open to asking all questions and broadly diagnosing problems, and they inspire openness in the people around them.
- *Envisioning and articulating the future* — this is the part of the process that involves setting goals that build toward the larger transformation
- *Planning* how to accomplish the change
- *Implementing* the change. Many change leaders use *Six Sigma*, *Kaizen*, and *Lean* for continuous improvement.

## 3. Change leaders work across boundaries

In many cases, successful change leaders create a direct line of communication to top executives. For example, Gerald Wright, a vice president in technology services at Hewlett Packard, has shown himself to be a master at top-down, bottom-up and lateral mobilization. In 2007, he was handed the daunting task of fixing HP's worldwide compensation structure for 20,000 sales employees. He worked through the corporate strategy group to call direct meetings with then-CEO Mark Hurd. He was expert at offering executive VPs the quid pro quos necessary to establish relationships, such as offering sales support for one of the executive's goals, or offering to make an introduction in his vast network. He then used the executive VPs' personal recommendations to pull together a broad-based team from many divisions. That team uncovered the fact that there were 1,500 compensation plans at HP, 35% of which were for single individuals. Wright's effort subsequently brought that number down to 40.

## 4. Change leaders move fast

Paul Taylor was managing a UK-based factory for LF Beauty UK Ltd., part of a \$25 billion retail conglomerate, when he took on the task of reducing waste in the assembly line. He asked workers to collect any waste that was produced over the course of a week. They filled 40 pallets with faulty bottles and packages of beauty products.

Taylor gathered the factory's 600 employees around the pallets to help everyone visualize the enormity of the waste, then mobilized a large cross-boundary group of managers and line workers. Taylor created a sense of urgency and then kept up the pace with tight deadlines. For instance, the diagnosis phase — which uncovered weak spots in the process used to create the materials — was carried out by rapid-response teams with a six-week deadline. Throughout the process, the company was holding short, focused weekly or twice-weekly meetings. Taylor imbued the process with his own urgent pace.

In the space of a year, the company cut costs by nearly \$1 million. But, “this wasn’t just a cost-cutting exercise,” says Taylor. “It was a rapid cultural and mindset transformation of my factory employees.”

Wright and Taylor have been promoted since I had the privilege of working with them, and Girard and delaCalle, I’m confident, will be too. Success begets success. And leading a successful change effort shows the marks of a true leader.

If you’re a manager eager to transform yourself into a change leader, the first step is finding or making sure you are fully committed to the work you’re doing, personally and professionally. I encourage managers to write **vision statements**. DelaCalle’s reads, in part: “Encourage and inspire others to action and forward progress. Make personal and professional decisions with balance and thoughtfulness so those around me and I myself feel proud.”

Then I suggest three other steps:

- Find a bold process of change, like **Rapid Transformation**, to follow.
- Push yourself to communicate, especially up, with your company’s executives and the CEO.
- Embrace speed at every possible juncture.

We think of mid-level managers as managing incremental change — but many are change leaders in the making. When they align their personal goals and strengths with the organization’s goals, they become extraordinary leaders.