Powering Your Bottom Line Through Employee Engagement

Identifying High-Potential Talent in the Workplace

HR’s Role in Linking Personal, Employment, and Leadership Branding

Emotional Intelligence: Can Companies Really Feel Their Way to Success?

Making Change Work
Hello once again from UNC Kenan-Flagler. I’m very pleased to present the latest edition of ideas@work, a journal we have developed specifically for business leaders who are interested in issues related to talent development.

The latest edition of ideas@work features five new white papers, including Powering Your Bottom Line Through Employee Engagement which discusses the importance of employee engagement and provides tips to help you drive engagement in your organization. Another white paper, Identifying High-Potential Talent in the Workplace, includes findings from the 2013 UNC Leadership Survey. Over 1,300 talent development professionals participated in the study which explores best practices in talent identification. A third paper looks at the intersection of personal branding and employment branding with recommendations to help you and your organization navigate the ever-changing world of social media, while another examines how developing emotional intelligence can drive leadership performance. Finally, in Making Change Work, we discuss why many change initiatives fail, and we provide suggestions to help you avoid these pitfalls.

I hope you enjoy this edition of ideas@work and find some practical ideas that you can apply in your organization. I encourage you to visit our website where you can find all of our white papers, research, webinars, and more (www.uncexec.com).

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At UNC Executive Development, we are committed to providing new, impactful learning experiences to help our partners successfully manage and develop their employee talent.
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Powering Your Bottom Line Through Employee Engagement

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Introduction

The greatest concerns of most CEOs are operational excellence, innovation, risk, the regulatory environment, and competing globally. Underpinning those areas is their primary concern—human capital. The “people thread” is what prepares an organization to compete and win. The greatest asset that organizations have is the power of their employees. Employee engagement—the emotional commitment of employees—is a tremendous competitive advantage that impacts the bottom line when strategically managed.

The majority of organizations have an opportunity to further leverage employee engagement as a business driver. A recent Gallup poll found that more than 70 percent of American workers are either actively or passively disengaged from their work. HR, talent management professionals, and business leaders need to assess (or re-assess) how widespread and entrenched employee disengagement is in their organizations and partner together to improve it.

The Costs of Employee Disengagement

The financial cost of employee disengagement for organizations and economies is staggering. The authors of the Gallup study on employee disengagement, for example, estimate that the 70 percent of U.S. workers who are disengaged costs the U.S. economy $370 billion a year in lost productivity (Biro, 2013). A study by HR research and advisory firm McLean & Company found that disengaged employees cost organizations an average of $3,400 a year for every $10,000 in annual salary (Haydon, 2013). Furthermore, a Watson Wyatt report estimates that turnover—the inevitable outcome of employee disengagement—costs between 48 and 61 percent of an employee’s annual salary (ADP staff, n.d.).

The financial costs to organizations include more than lost productivity and increased employee turnover. Disengaged workers are absent from work more often than engaged workers, are more likely to engage in theft, have more safety incidents, and exhibit poorer customer service. The Gallup poll found that organizations with higher employee engagement levels experience:

- 37 percent less absenteeism
- 25 percent less turnover in high-turnover organizations
- 65 percent less turnover in low-turnover organizations
- 28 percent less shrinkage (theft)
- 48 percent less safety incidents
- 41 percent less patient safety incidents
- 41 percent less quality incidents (defects)
- 10 percent higher customer metrics
- 21 percent more productivity
- 22 percent more profitability

(Moreland, 2013).

Disengaged workers not only have a negative impact on employee morale, they are also detrimental to an organization’s financial health. It is imperative that HR and talent management professionals regularly take the pulse of employee engagement levels in their organizations and take steps to ensure that senior leaders understand and support boosting those levels to impact organizational results.

Promise

This white paper:

- Discusses the costs of employee disengagement in organizations.
- Links employee engagement to an organization’s bottom line and offers reasons why employee engagement should be a strategic business priority.
- Offers steps that HR and talent managers can take to improve employee engagement throughout their organizations.
- Provides examples of what organizations are doing to boost employee engagement.

The Costs of Employee Disengagement

The financial cost of employee disengagement for organizations and economies is staggering. The authors of the Gallup study on employee disengagement, for
Example: Molson Coors Brewing Company

Employee engagement is a high priority for the Molson Coors Brewing Company, and the organization prides itself on linking engagement to the bottom line. The company conducts an annual employee engagement survey. In 2010, 87 percent of the company’s employees were engaged, much higher than the 30 percent average found in the Gallup survey. As a result, the company estimates that their employees are five times less likely to have safety incidents. In 2002, for example, Molson Coors reported saving $1,721,760 in safety incidents, which it directly attributes to improved employee engagement. The company also tracks the performance differences among low-engagement and high-engagement teams, and in 2005, found that the number of low-engagement teams fell far behind the number of high-engagement teams, with a difference in performance-related costs of $2,104,823 between the teams.


The Link Between Employee Engagement and an Organization’s Bottom Line

Clear and mounting evidence continues to link employee engagement to an organization’s bottom line. An AON Hewitt study linked employee engagement to an organization’s competitive growth, finding that organizations that had actively managed employee engagement relative to their peers during the recent economic downturn were now seeing “dramatic, positive impacts to their revenue growth.” (AON Hewitt staff, 2013). The Gallup study found similar results, noting that organizations with high employee engagement seemed to have recovered from the recession at a faster rate.

A McLean & Company study yielded similar results, concluding that organizations with highly-engaged employees had an average three-year revenue growth of 20.1 percent, versus the average 8.9 percent revenue growth rate, and had employees who were three times more likely to be top performers (McLean & Company staff, 2012). Other studies have found that when organizations have engaged workers, they are 18 percent more productive than their competitors, 12 percent more profitable, have 22 percent higher-than-average shareholder returns, and have employees who are 57 percent more effective and 87 percent less likely to leave (ADP staff, n. d.).

Like the AON Hewitt and McLean & Company studies, the Gallup study found that organizations with engaged employees outperform their competition by 147 percent in earnings per share and enjoy a 90 percent better growth trend (Crowley, 2013). Other findings from the Gallup study linking employee engagement to the bottom line include:

- Work units high in employee engagement (in the top half) were two times more likely to succeed as compared with work units in the bottom half.

- Work units in the 99th percentile for employee engagement were four times more likely to succeed than work units in the first percentile.

- Work units in the top 25 percent of employee engagement outperformed their peers in the bottom 25 percent in customer ratings, profitability, and productivity (Sorenson, 2013).

During the recent economic downturn, many senior leaders did not consider employee engagement to be a priority, perhaps understandably so—they had other short-term imperatives to focus on, like staying in business. However, a 2012 survey by the employee retention firm TalentKeepers indicates that employee engagement is making its way back onto strategic priority agendas. The
survey of U.S. executives representing 430 organizations found that 81 percent of the senior leaders surveyed wanted to improve performance and profitability by making employee engagement a strategic priority (PRWeb staff, 2012).

The renewed interest in improving employee engagement in organizations has originated from actions executives took during the recession. Sixty-one percent of the senior executives responding to the TalentKeepers survey said they had taken the opportunity to hire better-skilled employees from the larger talent pool available during the recession and were now worried that these employees may leave when the economy recovers (PRWebb staff, 2012). If this is the case, business leaders will expect HR and talent management professionals to not only monitor engagement levels, but to take proactive steps to improve employee engagement in their organizations.

Example: Caterpillar, Inc.

Caterpillar decided to focus on employee engagement when their 2002 employee attitude survey showed that only half of their workforce was engaged. By 2009, more than 80 percent of their employees reported being engaged. The company credits improved employee engagement with an annual savings of $8.8 million from the drop in attrition, absenteeism, and turnover rates at their European plant and a 70 percent increase in output at their Asia Pacific plant.


Steps to Monitor and Improve Employee Engagement

There are four important, specific steps that HR, talent management professionals, and organizational leaders can take to identify, monitor, and improve employee engagement levels.

Step 1: Know the engagement levels of employees.

It is important for HR and talent management professionals to understand the distinction between happy, satisfied employees and engaged employees. Engaged employees are happy, satisfied employees, but not all happy, satisfied employees are engaged employees. Happy employees, for example, may gladly show up for work on most days, but that happiness does not necessarily translate into productivity and profitability. Similarly, satisfied employees are happy to show up to work each day and do their work, but will be equally happy to take their satisfaction elsewhere for a salary increase.

Employee engagement, according to James L. Lewis, Ph.D., director of research for KornFerry International, “reflects the extent to which professionals are satisfied with and emotionally invested in their jobs, and whether they will expend discretionary effort for their organization.” (Lewis, 2013). AON Hewitt staff (2013) note that employee engagement is the extent to which employees say, stay, and strive. Engaged employees speak positively about their organizations to their co-workers, potential employees, and customers (say); have an intense sense of belonging and a desire to be a part of their organizations (stay); and are motivated to exert effort for the success of their jobs and organizations (strive).

Not all satisfied, emotionally invested professionals are engaged at the same level in an organization. There is a sliding scale when it comes to employee engagement, running the gamut from highly engaged to disengaged. HR and talent management professionals must understand these various engagement levels.
before embarking on an employee engagement initiative because action steps to improve engagement need to be customized based on where employees fall on the scale.

- **Engaged employees** exhibit passion in their work, purpose, pride, and energy. They take on extra tasks and consider their organization’s strategic objectives as equal to or greater than their own objectives.

- **Almost engaged** employees exhibit satisfaction and commitment to their organizations, and at times, are motivated to go the extra miles. They will sometimes take on extra tasks.

- **Indifferent** employees do not exhibit a sense of purpose or pride in their work. They meet only the minimum requirements and will not volunteer for extra tasks.

- **Disengaged** employees exhibit little care for their jobs and their organizations. They do not meet minimum requirements, and put little effort into their work. They are disinterested in their organization’s objectives (McLean & Company staff, 2012).

### Step 2: Measure employee engagement.

After HR and talent management professionals understand the levels of engagement, it is important to measure it. This is usually done through an employee engagement survey. Jim Harter, chief scientist of workplace management and well-being at Gallup, recommends using Gallup's Q12 feedback system, a series of 12 questions designed to measure whether employees are engaged, disengaged, or actively disengaged.

Gallup’s 12 questions (rated on a scale from 1 to 5) are:

1. Do I know what is expected of me at work?
2. Do I have the materials and equipment that I need in order to do my work right?
3. At work, do I have the opportunity to do what I do best every day?
4. In the last seven days, have I received recognition or praise for doing good work?
5. Does my supervisor, or someone at work, seem to care about me as a person?
6. Is there someone at work who encourages my development?
7. At work, do my opinions seem to count?
8. Does the mission or purpose of my company make me feel that my job is important?
9. Are my co-workers committed to doing quality work?
10. Do I have a best friend at work?
11. In the past six months, has someone at work talked to me about my progress?
12. This past year, have I had opportunities at work to learn and grow?

An employee engagement survey is more than just a feedback tool. A well-designed engagement survey should not only measure engagement, but also isolate areas of concern and be able to contrast results against past surveys and among peers (McLean & Company staff, 2012). The results of the survey should then be used to construct an action plan (Step 3).
Pitfalls to Avoid when Targeting Employee Engagement

When implemented correctly, employee engagement initiatives can improve employee morale, create a more positive corporate culture, and significantly impact the bottom line. When done incorrectly, however, these initiatives can create additional disengagement. Experts recommend that HR and talent management professionals avoid these frequent mistakes:

1. **Lack of follow-up after an employee engagement survey**: This can lower engagement if results of the survey are not communicated to employees and actions are not taken.

2. **Focus on the wrong areas of improvement**: The first reaction many HR and talent management professionals may have is to make changes in areas on the survey that score poorly, but that do not actually affect employee engagement. Survey results should be carefully analyzed with a concentration on improving employee engagement.

3. **Poor communication**: Any initiative will fail, even if employers follow-up, if employees do not know about it. HR and talent management professionals should ensure communication plans are built into all employee engagement initiatives.

4. **Failure to take responsibility**: All too often, managers cede the responsibility of the employee engagement initiative to HR and talent management professionals. The success of an employee engagement initiative relies on full participation and accountability at all organizational levels.

5. **A “one-size-fits-all” approach**: Organizations often make the mistake of failing to deal with disengaged workers on a one-on-one basis.

Step 3: Design and implement programs and initiatives designed to target disengaged workers.

Harter emphasizes that one of the most important things when designing employee engagement initiatives is to get the basics right. Most employees, he contends, become disengaged because they are not getting their basic needs met. These basic needs include getting the right people into the right jobs, setting clear expectations, and giving people what they need to do their jobs (Crowley, 2013). Organizational leaders cannot underestimate the criticality of setting people up for success in relation to employee engagement and commitment.

Another consideration when designing engagement programs is to understand that what might engage one worker may not engage his or her co-worker, so tailoring programs to meet different needs is important (Moreland, 2013; Gaskell 2013; AON Hewitt staff, 2013). The most effective approach when designing employee engagement initiatives is to tie them to the organization’s strategic priorities (Moreland, 2013; Gaskell, 2013).

HR and talent management professionals may want to consider some of the engagement drivers AON Hewitt has identified when designing employee engagement initiatives. These drivers, sorted into six categories, are what inspire employees and engage them at work:

1. **Work**: Includes empowerment/autonomy, sense of accomplishment, work tasks.
2. **People**: Includes relationships with senior leadership, supervisors, and collaboration in the workplace.
3. **Opportunities**: Includes career opportunities and learning and development activities.
4. **Total rewards**: Includes the employer’s brand and reputation, pay, benefits, and recognition.
5. **Company practices**: Includes communication, diversity and including, having an enabling infrastructure, performance management, customer focus, innovation, talent, and staffing.

With these drivers in mind, HR and talent management professionals can design employee engagement initiatives that fit their organization’s culture, strategic goals, and multi-cultural, multi-generational, and global workforces.

Step 4: Ensure that leadership teams are on board with and held accountable for employee engagement levels on their teams.

Buy-in and alignment from senior leadership is essential to success. HR and talent management professionals may use the information in this white paper (see Fact Sheet) to make the case to senior leaders that the higher the employee engagement, the better the organization’s bottom line. Once on board, managers at all levels should be held accountable for their employees’ engagement levels. This may require annual employee engagement surveys and adjustments to an organization’s supervisory performance management metrics to capture employee engagement. It may also require leadership development activities to help leaders, managers, and supervisors develop more inspirational and engaging leadership styles to drive engagement.
Employee Engagement and the Bottom Line
Fact Sheet

The Price of Disengagement
- Disengaged workers cost the U.S. economy $370 billion a year in lost productivity (Gallup in Biro, 2013).
- Disengaged employees cost organizations $3,400 a year for every $10,000 in salary (McLean & Company in Haydon, 2013).
- Turnover—the inevitable outcome of disengagement—costs organizations between 48 and 61 percent of an employee’s annual salary (Watson Wyatt in ADP staff, n.d.).

The Perks of Engagement
Organizations with higher employee engagement levels experience:
- 37 percent less absenteeism
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- 10 percent higher customer metrics
- 21 percent more productivity
- 22 percent more profitability (Gallup in Moreland, 2013).

Financial Implications
- Organizations with highly engaged employees had an average three-year revenue growth of 20.1%, versus the average 8.9% revenue growth rate, and had employees who were three times more likely to be top performers (McLean & Company staff, 2012).
- Organizations with engaged workers are 18% more productive than their competitors, 12% more profitable, have 22% higher-than-average shareholder returns, and have employees who are 57% more effective and 87% less likely to leave (ADP staff, n.d.).
- Organizations with engaged employees outperform their competition by 147% in earnings per share and enjoy a 90% better growth trend (Gallup in Crowley, 2013).
- Work units high in employee engagement (in the top half) are two times more likely to succeed as compared with work units in the bottom half (Gallup in Crowley, 2013).
- Work units in the 99th percentile for employee engagement are four times more likely to succeed than work units in the first percentile (Gallup in Crowley, 2013).
- Work units in the top 25% of employee engagement outperform their peers in the bottom 25% in customer ratings, profitability, and productivity (Gallup in Sorenson, 2013).
Conclusion

To achieve stronger bottom line results, it is essential that HR and talent leaders partner with business leaders to create and communicate a culture of engagement. As the economy continues to recover and talent remains the last true competitive advantage, business leaders are right to be concerned about employee engagement. There is a real fear that the 70 percent disengaged workers will leave, taking their knowledge and talents to competitors, or worse, stay with the organization physically, but not mentally. The timing could not be more crucial for HR and talent managers to prioritize engagement as a strategic initiative.

HR and talent professionals in sync with business leaders can start by taking the pulse of their organization’s engagement levels and designing and implementing programs and policies that will re-engage and retain their talent. Engaged employees feel emotionally connected to the organization, understand what it takes to help the organization succeed, and drive for that result. Increasing an organization’s employee engagement and commitment can dramatically impact and fuel operational excellence, innovation, and the ability to compete.


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Identifying High-Potential Talent in the Workplace

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Introduction

The cornerstone to an organization’s growth from within strategy is identification of high-potential talent. Organizations confirm the criticality of high-potential identification to stay competitive, yet current processes are lacking results. A recent leadership survey conducted by UNC Kenan-Flagler Business School found that while many talent management professionals reported a high demand for high-potential talent, nearly half (47 percent) said their current high-potential talent pool did not meet their anticipated needs, and 65 percent said they were only slightly or moderately confident in their organization’s ability to fill mission-critical roles. That same survey found that 84 percent of talent management professionals said the demand for high-potential employees has increased in the past five years due to growth and competitive pressure.

Having a strong pipeline of high-potential talent is vital to organizations because it builds an organization’s competitive advantage for the future (Snipes, 2005). Organizations continue to struggle, however, with how to effectively identify, attract, and retain high-potential talent in their organizations; a 2011 AMA Enterprise survey found that just a little more than half of survey respondents said their organizations were somewhat effective in their ability to retain high-potential employees (Nikravan, 2011).

The dissatisfaction talent managers report regarding their organizations’ effectiveness in identifying and developing high-potential employees may be caused by the lack of formal high-potential programs in organizations. The AMA Enterprise survey found that most organizations lacked formal high-potential programs. Even those who report having a formal high-potential program in place seem to lack a high level of satisfaction with its effectiveness; the UNC Kenan-Flagler survey found that only 29 percent of respondents reported being “very satisfied” or “satisfied” with their organization’s current process for identifying high-potential employees.

Best Practices Top-Performing Companies Use in High-Potential Programs

- Specialized leadership tracks
- Multi-disciplinary rotation programs across disciplines, divisions, and locations
- Unlimited learning opportunities for high-potential employees (Most companies restrict learning opportunities - top-performing companies do not.)
- Leveraging technology in talent development (e.g., synchronous and asynchronous learning tools)
- Action learning
- Mentoring (An ASTD survey found that 71 percent of Fortune 500 organizations use internal mentoring in their high-potential programs.)

Source: Snipes, 2005.

In today’s rocky economic environment, identifying and attracting high-potential employees can give employers an edge on their competition and set up their organizations for future success.

Promise

This white paper:

- Provides background on high-potential talent.
- Offers steps HR and talent management professionals can take to establish an effective high-potential talent identification program.
- Identifies the competencies leading organizations are seeking in high-potential talent.
- Discusses other factors HR and talent management professionals should consider when identifying high-potential talent.
What Is a High-Potential Employee?

A high-potential employee is one who has been identified as having the potential, ability, and aspiration to hold successive leadership positions in an organization (Bersin by Deloitte staff, n.d.). Once identified, they are often singled out for focused developmental opportunities designed to prepare them for future leadership positions. High-potential employees constitute the top 3-5 percent of a company’s talent (Nikravan, 2011).

HR and talent management professionals have good reason to identify and develop high-potential employees. Key drivers to do so, according to respondents of the UNC Kenan-Flagler Leadership Survey, include the need to prepare the organization to meet the anticipated increased demand for future leaders (83 percent); to retain key talent (83 percent); and to improve organizational performance (73 percent). Developing high-potential employees also makes it more likely that they will stick around and benefit the organization rather than taking their talent to a competitor.

In an article for Harvard Business Review, authors Doug Ready, Jay Conger, and Linda Hill identified four “X” factors that are common among high-potential employees. High-potential employees, Ready et al contend, are all hardwired with the following traits:

- A drive to excel
- A catalytic learning ability (High-potential employees scan and absorb new ideas and have the ability to translate them into productive action.)
- An enterprising spirit
- Dynamic sensors (High-potential employees use these sensors to skirt risks. They have an innate feel for timing, the ability to read situations, and a nose for opportunity.)

High-potential employees deliver strong results by building trust, confidence, and therefore credibility among colleagues. They easily master new types of expertise and recognize that behavior counts (Ready et al, 2010). Identifying high-potential employees is an important step in any succession management or leadership development plan (Azzara, 2007), yet only 9 percent of HR and talent management professionals responding to the AMA Enterprise survey said they had a systematic process in place to identify high-potential employees. The vast majority (86 percent) said that they had a “mostly informal” or “combination of systematic and formal” process to identify high-potential employees. Properly identifying high-potential employees in a formal, systematic fashion can help target individual development plans for this talent pool, and build consistency and credibility across the organization.

How to Systematically Identify High-Potential Employees

By properly identifying high-potential employees, HR and talent management professionals can reduce high-potential drop-out rates and the associated wasted resources and expenses. Proper high-potential identification can also work to improve and target developmental plans for these individuals, resulting in more satisfied high-potential employees who are more likely to stay with the organization. Other benefits related to accurate high-potential identification include:

- Better bench strength for key positions
- Smoother transitions and shorter learning curves
- Reduced risk of “career derailment”
- More agility in key talent pools
- Consistently high performance from a steady supply of superior talent (PDI Ninth House staff, 2010).

Formal, systematic high-potential identification also helps to alleviate the persistent perception among employees that high-potential programs are not applied consistently, a perception that can lower employee morale and increase employee turnover. The AMA Enterprise survey found that only 12 percent of respondents felt that high-potential programs in their organizations were administered impartially and even-handedly.
HR and talent management professionals can develop a systematic, criteria-based approach to identify high-potential employees and ensure the perception of consistency in its application by incorporating the following steps in their own high-potential programs.

**Step 1: Plan for the future.**

The first step is to understand what the organization will need in the near future. HR and talent management professionals should identify anticipated leadership roles and positions, including the C-suite, the top 3 percent of senior leadership positions in the organization, hard-to-fill jobs, and the organization’s near- and long-term strategic needs. Once identified, the purpose, priorities, needs, and requirements should be articulated for each role, as well as timeframes and existing talent pools (whether leaders will come from within the organization or be recruited from outside the organization). Identifying future needs will help with the next step of defining the high potential criteria the organization will need in the future (PDI Ninth House staff, 2010).

**Step 2: Define high-potential criteria.**

PDI Ninth House International recommends that HR and talent management professionals define high-potential criteria by reviewing relevant research, defining terminology such as potential, performance, readiness, and fit (to ensure a consistent understanding at all organizational levels), and specifying high-potential criteria and attributes for the organization as a whole, and for specific roles and positions in particular.

High-potential criteria are the qualities, characteristics, skills, and abilities a high-potential employee must have to successfully perform in a given position. The criteria can be gleaned by the series of questions HR and talent management professionals asked in the first step to determine the organizations current and future needs (Azzara, 2007).

The importance of defining terminology and criteria cannot be understated. The identification of high-potential talent is a team undertaking and should include managers and leaders from all organizational levels. Defining the terminology gives those involved in the identification process a clear direction for nominating and evaluating high-potentials, sets direction when discussing high-potential candidates, and ensures consistency when rating them.

HR and talent management professionals may find that the criteria and competencies they identify and define differ from other organizations, and this makes sense. Each organization is different and will give different weight to their organization’s and high-potentials’ strengths, weaknesses, and anticipated needs based on their existing high-potential talent pool.

**Example: GE’s High-Potential Program**

One focus of GE’s high-potential program is a robust employee-rotation program designed to help high-potentials understand the business from different functional and geographical perspectives. Approximately 3,000 GE employees participate in the program, which is comprised of three, eight-month rotations. Participants are offered rotations in communications, engineering, finance, information technology, manufacturing and operations, and sales and marketing. The program takes two years to complete.

*Source: Ciccarelli, 2012.*
The UNC Kenan-Flagler Leadership Survey did find some commonalities among the competencies organizations look for in their high-potential candidates. Seventy percent of survey respondents said they looked for future performance potential and 69 percent looked for strategic thinking ability. A drive for results (67 percent), current and sustained performance (66 percent), culture fit (59 percent), and commitment to the organization (47 percent) also topped the list.

Other attributes organizations look for in a high-potential employee include:

- Has the respect and trust of supervisors, peers, and subordinates
- Has a high level of competence in his/her technical or functional discipline
- Ensures that team goals are achieved within cultural and ethical guidelines
- Has a bias for action and is a catalyst for change
- Is open to feedback and criticism
- Self-manages in a way that fosters learning and high performance
- Demonstrates creative problem solving
- Actively leads and manages teams that create loyalty and a sense of community (Snipes, 2005).

Example: Fidelity’s High-Potential Program

In an ICEDR article about developing high-potential talent at Fidelity, researcher Lauren Ready identified five success factors to Fidelity’s high-potential development program, the General Management Apprenticeship (GMA) program. The factors were:

1. Continuously refine the high-potential program. In her study of Fidelity’s GMA program, Ready found that the firm had a relentless focus on updating its program to keep up with current needs.

2. Create an endless feedback loop. Ready found that Fidelity built in a structure to give their high-potential employees feedback in multiple ways.

3. Build a learning community. Ready found that Fidelity took several steps to ensure the program had a community feel, an important factor because high-potential employees like to bond with other high-potential employees.

4. Take advantage of key touch points. Ready found that there are a few key touch points—such as selection, matching high-potentials to the right assignment, and the end of the program—that are most crucial to the program’s success.

5. Create metrics that inspire. These metrics showcase the importance of having a few stories that highlight the success of the program.

Source: Ready, 2011.
Step 3: Make the high-potential criteria measureable.

When developing a high-potential identification program, making the high-potential criteria measureable can be invaluable because it can help narrow down the organization’s high-potential talent pool by offering non-emotional measurements to managers and senior leaders, many of whom may be “championing” one or more candidates.

Organizations use a number of different assessment procedures when identifying high-potential employees. The “buddy approach” is the least sophisticated assessment and involves having managers and senior leaders select high-potential employees. This approach is subjective and can lead to accusations of unfairness in the identification process (Azzara, 2007). The “manager appraisal approach” lets managers develop their own high-potential criteria to select high-potential employees. Like the buddy approach, this can lead to inconsistency within the organization, allegations of unfairness in the process, and lower employee morale (Azzara, 2007).

Another approach, the “decision-makers consensus approach,” is one in which decision-makers in an organization meet to discuss an employee’s suitability for promotion. There is usually little in the way of formally identified criteria, and this can lead to conflict within the group, particularly when a team member is sponsoring an employee under consideration (Azzara, 2007).

The most sophisticated approach is the “criteria-based approach” in which criteria has been established that articulates what the organization is looking for in a high-potential employee. Assessment tools used in this process include 360-degree feedback, assessment centers, role plays, and scenarios (Azzara, 2007).

Step 4: Identify high-potential candidates.

Once the high-potential criteria is defined and made measureable, high-potential candidates can be identified and selected using structured talent reviews. Candidates can be nominated, screened, and assessed based on the criteria and their performance (PDI Ninth House staff, 2010).

A common challenge in the high-potential identification process is the tendency to confuse potential with readiness. Potential is based on whether the candidate has the motivation and the focus on values and results desired by the organization, as well as whether the candidate has other attributes required for more senior levels. Readiness is whether the candidate has the ability to step in and perform well in targeted jobs or stretch assignments (Hanson, 2011). This confusion can be eliminated or minimized, however, if high-potential criteria and terms have been defined and made measureable early in the identification process.
Should High-Potential Employees Be Informed That They Are High Potentials?

The age-old question in succession planning and in the development of high-potential employees is whether high-potentials should be told of their status in the organization, and conventional wisdom has usually erred on the side of caution with a resounding “no.” Proponents of keeping high-potential lists under wraps cite everything from inflated egos and increased expectations of promotions and salary increases to fear of employee-poaching by competitors.

Conventional wisdom may be changing, though, as more employers acknowledge that, just as school children know who is in the accelerated reading group, employees know their employers have high-potential lists and who is likely on them, whether it is publicly acknowledged or not. When asked whether they tell employees they have been identified as having high potential, 58 percent of respondents to the UNC Kenan-Flagler Leadership Survey said yes. In addition, the Center for Creative Leadership found that of high-potentials not informed of their status, one-third said they were looking for another job. Of those who knew their status, only 14 percent said they were looking (Grossman, 2011).

Doug Ready, founder and president of The International Consortium for Executive Development Research (ICEDR), advises employers who inform high-potentials of their status that there should be swift action and follow through once they have been informed because lack of action can be a source of dissatisfaction and cause lower morale.

Example: IBM’s Corporate Service Corps and Global Enablement Teams

IBM's Global Enablement Teams program sends teams of five senior leaders from mature markets to work with managers in emerging countries such as South Africa, Brazil, Turkey, China, and Malaysia. In South Africa, for example, a team worked with local IBM managers to help government officials design an integrated financial management system. The anticipated outcome of these teams is to build IBM’s reputation in those regions.

These international experiences help IBM develop a pool of “globally aware” leaders and help teach high-potential IBM employees how to adapt to different cultures and situations.

Source: Ciccarelli, 2012.
The Case for Transparency

By Marc Effron

The most compelling reason to tell employees of their high-potential status is that studies have shown a strong correlation between companies that have open performance conversations with employees and better financial performance. According to recent studies, companies in the upper quartile of total shareholder return are nearly three times more likely to tell high performers of their status than companies in the lowest quartile.

In addition, telling employees that they are “high potential” is a powerful signal that the organization values their contributions and believes in them enough to invest in their future. In today’s competitive marketplace for leadership talent, consistent and meaningful messages like these go a long way toward encouraging key talent to stay with the organization.

Not telling employees of their high-potential status creates an increased risk that they will go to an organization that will recognize and develop their talent. High-potential employees tend to know that they have high potential, whether they’re officially told or not. And they’re not alone. Headhunters know it, their peers know it, and industry colleagues know it. If their employer doesn’t tell them, there’s a good chance someone else will.

Finally, telling employees of their high-potential status can give employers an edge in the ongoing challenge to attract and retain key talent. By developing a formalized high-potential program and maintaining it over time, a company can build a reputation as a place where people can grow as leaders, prove themselves through a variety of opportunities, and build rewarding careers. As a result, companies can gain greater access to the best talent at a lower overall recruiting cost to drive competitive advantage.

Conclusion

Properly identifying high-potential employees using a formal, systematic approach can improve high-potential selection, increase the perception of fairness and impartiality within an organization, and reduce high-potential drop-out rates and turnover. It can also increase an organization’s bench strength, giving employers an edge over their competition.


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HR’s Role in Linking Personal, Employment, and Leadership Branding

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Introduction

In the not too distant past, a person’s cover letter and resume were the first—and frequently only—hurdle to get an applicant’s foot in an employer’s door. The hiring manager would scan these documents for skill fit and work experience, and then place them in an “in” pile or toss them in the “round file.” Applicants lucky enough to get their resumes into the “in” pile would get a phone call and possibly an interview. Cover letters and resumes were vital because they were frequently the only readily available information a hiring manager could find about an applicant. Today, with the rise of social media, all of that has changed.

Although a person’s cover letter and resume are still important in the hiring process, a new hurdle has been added to the mix. The “in” pile is now the “maybe” pile because in many cases, the hiring manager’s next step is to conduct a web search to learn more about the candidate. These searches may involve checking out the candidate’s LinkedIn profile or other personal or professional social media sites or searching for job samples on YouTube or SlideShare.

This ability for potential employers to access information about job applicants beyond just a cover letter and resume has led to a renewed emphasis on the importance of personal branding and, conversely, because applicants can now find more information about a potential employer than ever before online, a renewed emphasis on the importance of employment and leadership branding.

Promise

This white paper:

• Explores personal branding and examines what constitutes a strong personal brand.
• Explores employment branding and how HR and talent managers can implement employment branding into their recruiting and learning and development efforts.
• Examines why leadership branding also plays a critical role in organizations today and how personal and leadership branding can help identify future business leaders.
• Examines the links among personal, employment, and leadership branding.
What Is a Personal Brand?

A personal brand is a process undertaken to differentiate oneself in the marketplace with a goal to attain career goals and objectives (Quast, 2013). Although much of one’s personal brand today is communicated through social media websites, it is more than social media. A personal brand encompasses all the ways people use to communicate their values, unique qualities, and career aspirations and includes cover letters, resumes, and how a person presents herself or himself (e.g., verbal and nonverbal communication, clothing, physical appearance, etc.).

The concept of personal branding has been around since the early 20th century, but it has gained more traction in recent years as a way to differentiate oneself in an increasingly competitive marketplace. Career development experts strongly recommend that all employees, from entry-level to seasoned professional, develop and maintain a strong personal brand. And while this recommendation includes HR and talent management professionals, this cohort has even more reason to be up-to-date with the personal branding trend; personal branding often reflects, for good or bad, the person’s perception of their current and past employers. Personal brands and employment brands, therefore, are inextricably intertwined, and HR and talent management professionals have an opportunity to help employees develop their own personal brands while reflecting a positive employment brand.

Personal brands are as different as people are unique, but there are some qualities strong personal brands share. Strong personal brands have clarity, consistency, and constancy. A strong personal brand has clarity when the person owning it knows who they are and who they are not, and consistently communicates his or her brand...
the same way in all communication modes, be it verbal communication, nonverbal communication, email, texts, or in social media. It is also strong when it is constantly visible to the person’s target audience (Forrest, 2013).

Social media does play a large role in communicating and maintaining today’s personal brand. Geoffrey James, a writer for Inc., suggests that part of establishing a personal brand is to create a memorable brand name and then use social media to make it your own.

“If you have a unique name, brand it. If not, create a brand name that’s a hybrid of your name and your career direction. You want people to find you, not the person who has the same name as you,” writes James (2013).

Steps James recommends when using social media to create a personal brand include:

1. Capture your online turf. Create and buy a domain name that reflects your brand name and create accounts on Facebook, Twitter, and Google+.
2. Build a website for the domain name. Tell people about yourself and your accomplishments, work background, career goals, and aspirations.
3. Set up automatic updating and share useful content on a regular basis.
4. Get feedback from trusted colleagues about the brand to ensure it communicates what you intended it to communicate.
5. Be authentic (James, 2013).

HR and talent management professionals need to be aware of these recommendations because of the opportunities and threats the existence these sites have in enhancing or damaging their organizations’ employment brands. An employee, for example, whose branding presence in social media includes disparaging remarks about a current or former employer can damage the employer’s employment brand.

Steps to Create or Strengthen a Personal Brand

It is never too early or too late to establish a personal brand. In doing so, HR and talent management professionals will better understand their own career goals and aspirations and the personal branding process, which will, in turn, inform their current recruiting and career development processes. To do so, consider using the following steps:

1. **Define your career aspirations.**
   Set SMART (specific, measurable, achievable, realistic, and timely) goals and objectives.
2. **Conduct research.**
   See what others are doing to establish brands and learn from them.
3. **Determine your brand attributes.**
   What do you want your brand to say about you? What adjectives do others use to describe you?
4. **Assess the current state of your brand.**
   What is the gap between how you are perceived and how you want to be perceived? What needs to change?
5. **Create a game plan.**
   A game plan should include more than just social media; it should include all aspects of you as a product—attire, hair, behavior, and verbal and nonverbal communication.
6. **Manage the brand proactively.**

Source: Quast, 2013
What Is an Employment Brand?

An employment brand is the image an organization wants to project to the employment marketplace about what it is like to work there (Rodriguez, 2006). It is about an organization’s culture, the attention recruiters and managers give to candidate and employee needs, and the tone of welcome given to employees, candidates, and customers alike (Cattel, 2012). Like personal branding, employment branding has been around for a while, but the rise in the use of social media—which can easily make or break an employment brand—has made employment branding a renewed priority in many organizations. Social media has made it easier than ever for disgruntled employees to tweet or post their complaints about employers, quickly damaging an employment brand.

An employment brand answers the question, “Why do I want to work for or stay with this particular organization?” It attracts potential talent and keeps existing talent close to home. It helps employers find the best and the brightest and convinces them to stay and work at their organization.

A good employment brand, according to Sharon Birkman Fink, president and CEO of Houston, Texas-based Birkman International, Inc., is more than just good pay and benefits. “It is a promise that offers career advancement, learning opportunities, and respect.” (Berkman Fink, 2011.)

Those promises can increasingly be found on company websites and on social media pages like LinkedIn, Facebook, and Twitter. Good employment brands attract talent to an organization’s website to learn more about the organization’s values and to apply for a job. It also attracts people who truly believe in the organization’s mission, vision, and values, and can help bolster an organization’s public image by communicating its culture, work practices, management style, and growth opportunities (Rodriguez, 2006).

The entire organization “owns” an employment brand. HR and talent management professionals, however, should use the values espoused through the employment brand to assess a candidate’s fit and for developing employees in ways that promote those values, according to Arte Nathan, former chief human resources officer for Wynn Resorts in Las Vegas, Nevada. In the recruiting and hiring phase, HR should evaluate a person’s values to see if they align with the organization’s values. “Once those values are in sync, it is HR’s job to further develop those skills and values in ways that will help the organization,” says Nathan. Once on board, says Nathan, employees should be coached about the employment brand and encouraged to represent that brand to others in an honest, authentic way.

Branding should not stop at the employment brand. There is increasing evidence that executives who cultivate a leadership brand can contribute to the employment brand and improve company performance.
How to Create an Employment Brand

Creating a strong employment brand is an organization-wide effort that depends on trust, communication, collaboration, and team building. As the brand’s ambassador, HR should consider the following steps to create a strong employment brand.

- **Start internally.** Make sure the desired brand is firmly anchored in the reality of employees. It should be authentic. If the brand promises career development, be sure to deliver that promise. An inauthentic brand that breaks the promises made in it will cause employee disengagement. Talk with employees to make sure the brand aligns with the organization’s mission, vision, values, and culture.

- **Make sure the employment brand aligns with the organization’s business strategy and corporate and marketing brands,** but at the same time, make sure the employment brand differentiates the organization from competitors. Part of The Home Depot’s employment brand, for example, emphasizes that its success depends on the knowledge and competence of its store associates and that the company works to build store associates’ careers by developing that knowledge and competence. It is that aspect of their employment brand that differentiates The Home Depot from others in its industry.

- **Communicate consistently.** Communicate the employment brand consistently in print advertisements, at career fairs, in on-campus presentations, on websites, and in social media. When developing the communication plan, know who the target audience is and where they will be looking. Millennials, for example, are serious users of social media, so social media communication may be developed with that generation in mind.

- **Evaluate the impact of the employment brand.** Like all new initiatives, measures should be included at the design phase to assess whether it has met its anticipated goals. Measures to consider when launching an employment brand initiative might include an assessment on whether the number of job applicants have increased, an assessment of the quality of those candidates, reduced time-to-fill, etc.


Communicating an Employment Brand on an Organization’s Website

When communicating the employment brand on an organization’s website, be sure to include information about the organization’s history, background, and leadership information, and consider including employee testimonials about why they like working for the organization (Google does this to great effect). To allow job seekers the ability to assess whether their personal brand and the organization’s employment brand are a good fit, provide information about career paths for each department and functional area, and expand information about benefits to highlight any unique ones the organization offers, like flexible work. In today’s economy, applicants are often more open to relocation, so consider including information about the organization’s geographic area (Platz, 2008). This detailed information helps provide a more detailed picture of what it is like to work for the organization.
What Is a Leadership Brand?

A leadership brand conveys an executive’s identity and distinctiveness as a leader (Smallwood, 2010). It not only reflects the values and qualities a leader has to offer an organization, it is also a reflection of the organization’s values. Leadership branding can be used as a personal career building tool for executives to promote themselves to other organizations, but there are positive attributes to leadership branding that can directly benefit the organization.

Leadership branding can help organizations because it can help attract investors, high-quality customers, and top talent. It can also increase the organization’s value, according to a survey conducted by Oliver Wyman and the Economist Intelligence Unit. A clear and expressed leadership brand can also help guide leaders’ behavior (McLaughlin and Mott, 2009). Leadership branding can also serve the company by helping to promote its leaders as thought leaders in their industries, placing them in prime positions to share thoughts and ideas with other leaders, thereby bringing new ideas into the organization (Gilmore, 2010).

Like personal and employment branding, leaders are increasingly using social media to promote their leadership brands, and this, in turn, can help organizations. A 2012 study by social media branding firm BRANDfog found that leaders who used social media to promote their company boosted their organization’s brand profile, instilled confidence in the company’s leadership team, and increased trust, brand loyalty, and purchase intent among customers. Ninety-three percent of the survey respondents also said that executive use of social media helped communicate the organization’s values and helped grow and evolve corporate leadership during times of crisis (Nikravan, 2012).

A good example of an organization promoting a leadership brand online is The Virgin Group. The company website features a blog written by the company’s CEO, Richard Branson. It is informally written, updated regularly, and seldom focuses on business. It is simply Branson’s thought du jour. The blog helps his employees get to know him a little better and to understand his values. It helps build employee trust and satisfaction and puts a human face on the company.

The blog also builds faithful followers, so in the case of an attack on the company’s reputation, there is a ready supply of supporters who can help do damage control (Nikravan, 2012).
An organization can quickly get derailed, though, when leadership brands differ within an organization (when, for example, the CEO is saying one thing and the CFO is saying the opposite). Organizations should be careful to build a singular leadership brand that can be supported and espoused by the entire leadership team. HR and talent management professionals can help foster that unified leadership brand by promoting the following steps:

**Step 1:**
**Define the leadership brand.**
Identify the specific leadership attributes that are integral to the organization’s success and communicate those attributes to all employees.

**Step 2:**
**Live the leadership brand.**
Build the attributes and brand promises into job descriptions, organizational targets, development activities, and performance management systems.

**Step 3:**
**Project the leadership brand.**
Make sure all stakeholders can see it, understand it, agree with it, and embrace it.

**Step 4:**
**Manage the leadership brand.**
Seek opportunities to promote and manage the leadership brand through articles, speaking engagements, presentations, conferences, social media websites, etc. (McLaughlin and Mott, 2009.)

**Linking Personal, Employment, and Leadership Branding**

HR and talent management professionals should foster personal, employment, and leadership branding in their organizations because each one adds value to the organization, and all three are inextricably linked.

Helping an employee identify his or her own personal brand through personal development opportunities (like media training, public speaking development, preparing for promotions, etc.) helps the employer understand a person’s career goals and aspirations, and can help HR and talent management professionals develop learning and development plans for that employee. It can also help in succession planning, recruitment, and cultural fit placement. Employers who know their employees’ personal brands can use that knowledge to identify and groom future leaders and to start the process of leadership branding early in an employee’s career cycle.

Personal branding can help the employment brand because employees who are clear about their personal brands and how their employers are actively fostering them are engaged, motivated employees who say good things about their employer. They become “brand ambassadors” who share the same values as the organization and who are happy to communicate those values to others (Sperry, n.d.).
How to Define a Leadership Brand

A strong leadership brand conveys the values an executive has to offer an organization. It can also help the executive focus on what he or she wants to be known for. Norm Smallwood and Dave Ulrich of The RBL Group, a strategic HR and leadership systems advisory firm, offer the following steps for executives seeking to identify a leadership brand.

1. **Ask “What results do I want to deliver at work in the next year?”** The answer should reflect company stakeholders such as customers, investors, employees, and the organization as a whole. A strong leadership brand is outwardly focused and should be about delivering results.

2. **Ask “What do I want to be known for?”** This question helps executives define the characteristics (Smallwood and Ulrich suggest identifying six characteristics) the leader already possesses that are critical to an organization’s success, but it may also identify characteristics that need to be developed. These characteristics may include (but are not limited to) such qualities as integrity, transparency, innovativeness, results-orientation, and strategic thinking.

3. **Define your identity.** The next step, according to Smallwood and Ulrich, is to take the six characteristics defined in Step 2 and combine them into three two-word phrases that reflect the leader’s desired identity. For example, if “transparency” and “innovativeness” were identified characteristics, these could be combined to be the phrase “innovatively transparent.” Smallwood and Ulrich suggest experimenting with many different combinations to help the executive crystallize his or her leadership brand.

4. **Construct a leadership brand statement and then test it.** This step makes the connection between what the leader wants to be known for (Steps 2 and 3) and the leader’s desired results (Step 1). Smallwood and Ulrich suggest that leaders fill in the blanks to the following statement:

   I want to be known for being ________________ so that I can deliver ________________.

   Once this statement has been completed, ask the following questions to see if it needs to be refined:
   
   a. Is this the brand identity that best represents who I am and what I can do?
   
   b. Is this brand identity something that creates value in the eyes of my organization and key stakeholders?
   
   c. What risks am I taking by exhibiting this brand? Can I live with this brand?

5. **Make the brand real.** A brand that is touted but not lived will create cynicism, so it is vital that the leadership brand is authentic. Smallwood and Ulrich recommend that leaders ensure that their leadership brands are embodied in their day-to-day work, and to check with others to make sure they see it. If the leader wants to be seen as flexible and approachable, for example, ask others if that is how they perceive the leader.

Conclusion

HR and talent management professionals know that today’s successful organizations are the ones with the ability to adapt and innovate, qualities that are employee-driven. Employers who help employees identify their personal brand as it aligns with the organization’s employment and leadership brands reap the rewards in increased engagement, which leads to increased business value.


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Emotional Intelligence: Can Companies Really Feel Their Way to Success?

Lauren Garris
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Introduction

It has been nearly 25 years since Peter Salovey and John D. Mayer first used the term “emotional intelligence” to describe a different kind of intelligence that many business leaders believe is essential to achieving success in the workplace. Unlike many other business trends that have come and gone, emotional intelligence, an intelligence that involves the ability to monitor one’s own and others’ feelings and emotions and to use that information to guide one’s thinking and action, still has legs. Business leaders continue to use the term and value it as a key employment factor. There is also evidence that HR and talent management professionals who make increasing emotional intelligence among all employee levels a strategic organizational priority will help boost their organization’s bottom line.

Promise

This white paper:
- Discusses the different definitions of emotional intelligence.
- Explores the benefits high levels of emotional intelligence bring to organizations.
- Examines why employees in general, but leaders in particular, could benefit from emotional intelligence development.
- Provides guidelines on how to improve emotional intelligence in the workplace.
- Offers examples of organizations that have used emotional intelligence training in their workplaces and their outcomes.

What Is Emotional Intelligence?

In his 1995 bestselling book, Emotional Intelligence (Bantam Books), Daniel Goleman describes emotionally intelligent people as those who perceive emotions, use them in thought, understand their meaning, and manage them better than others. Emotionally intelligent people solve emotional problems with less thought, have highly developed verbal skills, and tend to be more open and agreeable than others (Cicetti, 2013). For Goleman, Mayer, and Salovey, emotional intelligence is a personal characteristic much like initiative, self-confidence, and a drive for results (Mittal and Sindhu, 2012).
There are other schools of thought regarding emotional intelligence. Reuven Bar-On from the University of Texas Medical Branch views emotional intelligence as more of a personality dimension like extroversion, agreeableness, and emotional stability. Others view emotional intelligence as a specific set of abilities that includes the capacity to understand, reason with, and use emotions in thinking and action (Mittal and Sindhu, 2012). It is this latter school of thought, emotional intelligence as a set of abilities, which opens the door for HR and talent management professionals, because abilities can be enhanced with coaching and training. There are four branches of emotional intelligence when seen as a set of abilities:

1. **Recognizing emotions:** This means a person is aware of what he or she is feeling while also being aware of others’ feelings. In the workplace, this means that emotionally intelligent leaders understand that feelings affect their employees’ work and productivity. Emotions can be difficult to assess, however, because people exhibit their feelings differently, or sometimes not at all.

2. **Facilitating emotions:** Emotionally intelligent leaders know how to make others feel good about themselves, and how to be engaged and productive in the workplace. Emotionally intelligent leaders must be aware of their own emotions while being empathetic to those around them.

3. **Understanding emotions:** Those with a highly developed emotional intelligence go a step beyond merely recognizing their own and others’ emotions; they understand them. Truly understanding emotions requires insight into the chain of emotions that occur as events unfold. For example, anger may result from disappointment, embarrassment, and feelings of sadness—a chain of emotions culminating in anger.

4. **Managing emotions:** Emotionally intelligent leaders are able to deliberately manage their and others’ emotions to inspire and create passion in people (Alfus Rothman, n.d.).

HR and talent management professionals can use these four branches of emotional intelligence in selection practices and in employee and leadership development activities to help create a more emotionally intelligent organization.
The Benefits High Levels of Emotional Intelligence Bring to Organizations

Studies have found that high emotional intelligence in organizations is associated with increased productivity, higher engagement levels, lower turnover and absenteeism rates, and increased market share. Daniel Goleman has theorized that 80 to 90 percent of the competencies that differentiate high-performing workers from average-performing workers can be found in the emotional intelligence domain, and one study (Mount in Freedman, 2010) found emotional intelligence to be two times more predictive of business performance than employee skills, knowledge, and expertise. Another study of IT professionals found a positive relationship between an IT leader’s emotional intelligence scores and his or her subordinates’ job performance ratings (Beverly et al, 2012). Other studies have found that high emotional intelligence can boost career success, entrepreneurial potential, leadership talent, health, relationship satisfaction, humor, and happiness (Chamorro-Premuzic, 2013). And a study conducted by business consulting firm Genos found a positive correlation between the emotional intelligence of business leaders and the employee engagement levels of their direct reports (Genos, 2011).

Employers are taking notice. One survey found that four out of five large companies were trying to promote emotional intelligence in their organizations (Zeidner et al, 2004). A 2011 Career Builder study found that 71 percent of the hiring managers surveyed said they valued emotional intelligence in an employee more than IQ, believing that employees with high emotional intelligence are more likely to remain calm under pressure, can more effectively resolve conflict, can better lead by example, and are more thoughtful in their business decisions (Ford, 2013). That same survey found that more than one-third of employers said they were placing more emphasis on emotional intelligence when hiring and making promotions. Seventy-five percent of survey participants said that when it came to promotions, they were more likely to promote the person with high emotional intelligence over a person with a high IQ.

Avon has used emotional intelligence in management training and performance reviews. BMW, Boeing, Kodak, FedEx, and Shell have also used emotional intelligence training in their leadership development programs, and Hilton has used it in customer service leadership training (Freedman, 2010). PepsiCo has used emotional intelligence as a selection criteria for executives and found that those selected based on their emotional intelligence competencies were 10 percent more productive. There was also an 87 percent reduction in executive turnover (for $4 million in savings), and $3.75 million in added economic value (Freedman, 2010). L’Oreal found that sales people with high emotional intelligence brought in $2.5 million more in sales, and Sheraton found that its emotional intelligence initiative resulted in a 24 percent increase in market share (Freedman, 2010).

When AT&T participated in a study on emotional intelligence, they found that at all management levels, employees with high emotional intelligence were 20 percent more productive. Coca-Cola found that those who had participated in emotional intelligence training exceeded their performance targets by 15 percent. Those who did not have the training missed their performance targets by 15 percent—a 30 percent difference. At pharmaceutical company Sanofi-Aventis, a group of managers who received emotional intelligence training outsold the control group by 12 percent (Freedman, 2010).

These studies make an extremely persuasive argument for HR and talent management professionals as to why their organization should focus on improving emotional intelligence at all employee levels.
EMOTIONAL INTELLIGENCE AND SUCCESS

Why Employees in General, but Leaders in Particular, Could Benefit from Emotional Intelligence Development

As these studies suggest, there is a real, bottom-line value to organizations which makes developing emotional intelligence a strategic priority. The question for many may be whether it is possible to “teach an old dog new tricks.” In an article for the HBR blog network, Tomas Chamorro-Premuzic, professor of business psychology at the University of London, contends that it is possible to improve emotional intelligence. He notes that emotional intelligence levels are firm, but not rigid, and that people can change if they truly want to. Research also shows, according to Chamorro-Premuzic, that emotional intelligence levels tend to naturally increase with age (women also consistently score higher on emotional intelligence assessments than men). Good coaching and accurate feedback are key ingredients in improving emotional intelligence (Chamorro-Premuzic, 2013).

Example: Sanofi-Aventis

Sanofi-Aventis is a world’s leading pharmaceutical company headquartered in France. The company has a presence in more than 100 countries and employs more than 100,000 people worldwide. In July 2005, Sanofi-Aventis in Australia partnered with emotional intelligence consulting firm Genos to improve the emotional intelligence levels of its pharmaceutical sales representatives. Sanofi-Aventis and Genos developed a six-month study to determine whether pharmaceutical sales representatives’ performance could be improved through emotional intelligence training.

To assess whether emotional intelligence could be improved through training, sales representatives selected for the study were divided into two groups, a control group and a development group. Employees from both groups participated in an emotional intelligence assessment to determine a benchmark, but only members of the development group participated in the subsequent emotional intelligence training.

Over the next six months, sales representatives in the development group participated in workshops and coaching sessions on emotional intelligence. After three months, the development group’s sales results were compared with that of the control group’s sales results over the same period. Sanofi-Aventis found that the development group’s sales were 7 percent higher than the control group’s sales. As the emotional intelligence program continued, Sanofi-Aventis found that the development group’s sales grew to 12 percent more than the control group’s sales.

In addition to the increased sales, Sanofi-Aventis found that the development group demonstrated emotionally intelligent behaviors on the job 25 percent more than the control group. Retention of key employees also improved during and after the program. Finally, the company estimated a returned $5 for every dollar invested in the program during the six month period.

Source: Palmer and Jennings, n.d.
Improving emotional intelligence at the leadership level can improve employee morale and productivity and lower turnover and absenteeism rates. In a study involving observation and interviews of leaders from prominent Fortune 500 companies, Vipin Mittal and Ekta Sindhu found that leaders with high levels of emotional intelligence:

• Are aware of their impact on others and use it to their advantage.
• Have empathy for others, yet can still make tough decisions.
• Are astute judges of people without being judgmental.
• Are passionate about what they do and show it.
• Can balance feeling and logic in making decisions; they are in touch with their gut feelings.
• Are excellent communicators; they understand, using their emotional intelligence, what messages will connect best and how to express them.
• Create personal connections with others, and make themselves visible and approachable. They listen to others and respond in ways that make them feel respected.
• Temper a drive for results with a sensitivity to others (Mittal and Sindhu, 2012).

In short, emotionally intelligent leaders inspire others to do their best.

How to Improve Emotional Intelligence in the Workplace

Emotional intelligence can be developed, but it will take time and patience. A three-hour seminar simply will not have a long-term effect. HR and talent management professionals who want to improve their organization’s emotional intelligence should consider the following steps offered by Cary Cherniss and Daniel Goleman (2001, n.d.)

1. Select for emotional intelligence.

HR and talent management professionals should assess for emotional intelligence during the employee selection process. Cherniss and Goleman caution that emotional intelligence cannot be measured through the usual vetting process, like resume screening and the review of a job candidate’s previous work history, education, skills, and expertise. There are a number of assessments that can be used, however, to gauge a candidate’s emotional intelligence. These assessments include Goleman’s revised emotional intelligence competency model, Bar-On’s emotional intelligence assessment, and quasi-personality tests. Regardless of the test selected, Cherniss and Goleman caution HR and talent management professionals that application and interpretation of these assessments may require the expertise of an outside consultant.

2. Start at the top to assess emotional intelligence and to achieve buy-in.

Numerous studies have shown that successful leaders model emotional intelligence, so it makes sense to start an emotional intelligence initiative at the senior leadership level. Cherniss and Goleman recommend that before launching an emotional intelligence initiative, HR and talent management professionals should ensure that leaders understand and buy into the long-term benefits of developing emotional intelligence in the organization, a step that can be as simple as sharing the results of the studies highlighted in this paper.

Next, consider first piloting emotional intelligence assessment and training with senior leaders so they can gauge their own levels of emotional intelligence. This can help achieve senior leader buy-in and will likely help leaders later communicate the value of the initiative to their direct reports. During and after the assessment and training, HR and talent management professionals should also develop ongoing feedback mechanisms with senior leaders on the progress of their own emotional intelligence journey and the impact their improvements have made to the organization.
Example: Amadori

Amadori, a poultry supplier for McDonald’s in Europe, is a leading company in the Italian agro-food sector. A 2007 internal analysis of the company by emotional intelligence consulting firm Six Seconds found that Amadori needed to place a higher strategic priority on people management. HR was charged with leading the initiative and in 2008 evaluated the company’s performance management process, concluding that a key ingredient to improve people management would be to integrate emotional intelligence into the company’s culture.

HR leaders identified two goals of the emotional intelligence initiative:

1. To become a stronger learning organization, and
2. To develop a manager-as-coach perspective where managers supported and guided their employees through feedback and individualized development plans.

Amadori partnered with Six Seconds to develop and conduct the training. The training included six days of classroom training, individual coaching, assessment, distance learning, and two days of outdoor training. Six Seconds tracked the program for three years and found that:

- Emotional intelligence predicted 47 percent of variation in managers’ performance management scores.
- Emotional intelligence was significantly correlated to increased organizational engagement, with 76 percent of the variation in engagement predicted by the manager’s emotional intelligence.
- Amadori plants with increased organizational engagement achieved better bottom-line results, thereby linking emotional intelligence, engagement, and performance to the bottom line.
- During the program, turnover decreased by 63 percent.


3. After the senior leader pilot program, launch a voluntary, company-wide initiative.

There are several steps involved in launching an organization-wide initiative. HR and talent management professionals should first assess the organization and identify the key competencies the organization needs for effective job performance, making sure that the identified competencies align with the organization’s culture and long-term strategy. Once those competencies have been identified, individuals can be assessed using the same assessment selected for senior leaders.

A successful emotional intelligence initiative should be voluntary, stress Cherniss and Goleman, because adults learn best and are more open to change when they are self-motivated. HR and talent management professionals can help increase participation, however, by offering employees a safe and welcoming environment. This can be achieved, in part, by obtaining the full support of senior leaders. Employees who see their managers actively working to improve their emotional intelligence levels will be inspired to participate.
The results of emotional intelligence assessments should be delivered with care and provide individuals with information on their strengths and weaknesses. Employees should be given plenty of time to digest the information. Once the information has been processed, it is time to get to work.

Initiative participants should work with trainers or coaches to identify the competencies they want to improve, and together, develop a plan on how to acquire them, breaking goals into manageable steps. Participants should be actively involved in developing this plan, because it will increase the likelihood of success. The selected competencies, however, should be linked back to the competencies identified in organizational assessment. Trainers and coaches should also work closely with individuals to provide honest, timely, specific, and behaviorally based feedback and to allow for opportunities to practice in a safe environment.

4. Evaluate the program’s effectiveness.

As with any training or long-term development initiative, goals and measures to assess outcomes should be identified during the planning phase. Goals may include improvement in the key competencies identified during the organizational assessment, but may also include improved productivity, decreased turnover, and improved employee engagement and morale. To assess these, a control group of non-participants can be compared to the participant group at regular intervals agreed to by senior management (e.g., three, six, nine months, and a year after the start of the initiative). Senior leaders should be reminded that this type of initiative will require time because it involves behavior change. HR and talent management professionals should take the lead to ensure that these measures are assessed and reported back to senior management.

Example: Sheraton Studio City

In December 2002, a new general manager was brought in to a Sheraton in Orlando, Florida to make some badly needed changes. The hotel, a 302 room/592 bed property had suffered in recent years. The hotel’s sales were down, customer satisfaction ratings were unacceptable, employee morale was low, and teamwork was poor.

With the help of an emotional intelligence consulting firm, an organizational climate assessment was conducted to pinpoint the issues from the employees’ perspectives. The study found three “hotspot” issues: collaboration, trust, and employee motivation. Over the next 10 months, the consultants worked with the management team, providing them 18 hours of emotional intelligence training. The front desk team participated in similar training, and four groups of line staff received two hours of training. In addition, several leaders received one-on-one coaching varying in length from two to 12 hours.

As a result of the training, the organizational climate at the Sheraton Studio City showed significant signs of improvement. Customer service ratings rose 8 percent. Employee turnover dropped nearly 20 percent and market share rose 23 percent. In addition, the property was Sheraton’s top rated vacation property in October and December 2003.

Conclusion

The concept of emotional intelligence has stood the test of time, and study after study has demonstrated the value it can bring to an organization. HR and talent management professionals have the opportunity to improve their organizations’ productivity and bottom lines by making increased emotional intelligence a strategic organizational goal. It will require assessment, planning, and long-term commitment for everyone involved, but the potential benefits make the effort and time commitment well worth it.


Introduction

A few years ago I had a front row seat and played a significant role in the merger of two very different global companies. Based on that experience, I can assure you that the well-known phrase “change is inevitable” does not truly apply to implementing significant organizational change—as is evidenced by the number of organizations that receive failing grades when it comes to this effort. Change management expert John Kotter estimates that 70 percent of all change initiatives fail. Human resource (HR) and talent managers must be able to manage change and help employees manage change. This paper is based on the premise that we can only change ourselves, and the most we can hope to do for others is to show them the way ahead, to be a role model, and to provide encouragement and incentives to change.

Promise

This white paper:

- Reviews several studies that examine change initiatives and suggests why many of them fail.
- Examines a few change initiative models that when used may improve the chances of success.
- Proposes steps HR and talent management professionals (hereafter referred to as “HR professionals” for the sake of brevity) can take to improve the success rate of change initiatives in their organizations, drawn from personal experiences learned while leading change initiatives on a business merger and software implementations.
- Provides examples of successful corporate change initiatives.

What Studies Reveal about Change Initiatives and Why They Fail

A 2008 IBM global study on change initiatives which surveyed 1,500 change management executives from 15 countries found that nearly 60 percent of change projects did not fully meet their expectations. People and corporate culture were identified by the respondents as major obstacles to implementing change, with nearly 60 percent of respondents saying changing people’s mindsets and attitudes was the biggest challenge. Forty-nine percent of respondents said that corporate culture was the next biggest challenge.
The study found that there was a significant difference in change initiative success rates among high-performing “change masters,” average-performing “change managers,” and low-performing “change novices.” Change masters reported an 80 percent success rate in change initiatives, twice the 40 percent success rate of change managers. Change novices reported only an 8 percent success rate. Not surprisingly, the study concluded that the ability to manage change must be a core competency for all employees in organizations today (IBM staff, 2008).

A recent Capgemini study echoes IBM’s conclusion, finding that in these volatile times, change management should be a core competency in most organizations, yet its survey of Norwegian business leaders found that 45 percent of all companies currently do not excel at change management. So what does managing change effectively entail? The study found three areas in which organizations should strive to improve when implementing change initiatives:

1. Organizations must have a clear vision of the change initiative’s desired outcome and foster a positive organizational culture that supports change initiatives.

2. Change initiative strategies must be better aligned with underlying organizational needs.

3. Organizations should make a better effort to link change initiatives with economic results (Capgemini Consulting staff, 2012).

David Leonard and Claude Coltea from Gallup assert that 70 percent of all change initiatives fail because change agents overlook the role front-line managers play in the success of the initiative and that HR professionals fail to develop in front-line managers the exact actions they need to take to make the changes happen (Leonard and Coltea, 2013). The main take away from Leonard and Coltea is the need to invest the time and the resources to achieve front-line manager support to a level where they drive the change as if they themselves made the decision.

For example, during the merger I was involved with, our organization benefited from the formation of a change agent network that consisted of 50 front-line and middle managers from all over the world. HR drove this team’s formation initially, and then backed off to allow the collective wisdom and instinct of those change agents to identify the issues of concern to their constituents. As the corporate HR representative, I was able to make sure top management addressed the issues when possible, and at a minimum, provided a thorough response to each concern raised, validating the change agent network’s credibility to their local constituents. HR professionals must recognize that HR cannot prescribe what the front-line managers should do. HR can devise the structure of the network, gather the data that emerges from that network, and commit to respond authentically.

Although change initiatives should include a clear process and action plan, the human factor must not be overlooked, as found in the IBM study. Many people tend to resist change, regardless of the “structure” in place to help make it happen, so business leaders must expect resistance to occur, no matter how positive they believe the change ultimately will be. To anticipate this resistance, business leaders, with their identified change agents, should identify each stakeholder group with enough influence to affect the likelihood of the change initiative’s success, and then create a plan that will offer the support required for the change initiative to succeed.

It is important to add that not everyone needs to be persuaded to make the change. Some of those who are not passively carried along will choose to rebel and eventually will opt out. We saw this frequently with some early voluntary retirements after the merger and again with job reallocations during software implementations. The important thing is to make sure that those affected make informed decisions based on realistic expectations. If employees understand the change and its impact on them and they choose to opt out, so be it.

Other reasons why change initiatives fail include:

- The lack of a clearly communicated strategy to stakeholders (such as employees and customers) (Richtermeyer, 2010).

- The lack of support and buy-in by key organizational leaders. Even if the change initiative is small in scope, senior leaders must be aware of it, understand why it is important to the organization as a whole, and “own” it as if the decision is in the best interests of their own employees (Richtermeyer, 2010).
• Senior leaders’ failure to understand the change initiative’s relevance and the failure to measure the change initiative’s progress. Baseline data should be collected before the change initiative is launched and progress should be measured during and after the change initiative to assess whether objectives have been met (Richtermeyer, 2010).

• The lack of sufficient technology to implement and sustain the change initiative (Richtermeyer, 2010).

• A lack of positive and transparent reinforcement (see shaded box).

• A lack of understanding of how the change will actually impact employees. For example, touting a new IT system as “user friendly” to employees ahead of the system launch only to find out post-launch that the system was perceived as not “user friendly.”

Failed change management initiatives can reduce employee productivity and morale and increase employee turnover. HR professionals can play a vital role in ensuring that change management initiatives succeed by getting onboard early in the planning process. HR can ensure that all employees—from front-line to senior leadership levels—have the skills and abilities needed to handle and embrace the necessary changes, can help communicate the change initiative strategy to employees, and can make sure that employee reward and recognition is properly aligned.

Change Initiative Models

There are many change initiative models that can help when implementing a change initiative. John Kotter’s model, introduced in his book Leading Change (Harvard Business Press), proposes eight steps organizations should follow for successful change initiatives.

Looking at Kotter’s model, one thing missing, or at least not called out explicitly, is the importance of listening to employees and being curious first. Management expert Ken Blanchard’s model reflects similar ideas to Kotter’s and acknowledges this need. Blanchard emphasizes the importance of achieving buy-in for the change initiative among all employees, which will require addressing some
8 Steps for Successful Change Initiatives

1. **Establish a sense of urgency.**
   The lead change agent must help others see the need for the change and convince them of the need for immediate action.

2. **Create a guiding coalition.**
   The guiding coalition should be comprised of people in the organization with enough power to lead the change. In the next steps, the group must create a clear vision, communicate it, eliminate obstacles, and generate short-term wins to encourage long-term success. The qualities of an effective coalition include having the right organizational positions, expertise, credibility among peers and direct reports, and leadership abilities.

3. **Develop a change vision.**
   A change vision articulates how the future will be different from the past. It motivates people to take action and shows them what actions they must take to achieve the change.

4. **Communicate the change vision for organizational buy-in.**
   It is critical that employees who will be affected by the change initiative understand and accept the change initiative’s vision. This is where communication is so critical, yet, according to Kotter, this is where most organizations stumble the most—by not communicating enough. Communication delivery methods should include emails, meetings, and presentations about the change. The vision should be communicated at every opportunity—and the vision should be simple, vivid, repeatable, and inviting.

5. **Empower broad-based action.**
   Barriers should be removed to allow people to do this best. Barriers might include physical ones, like insufficient technology that inhibits the change or structural ones like the need to re-align employee incentives or performance management systems to encourage the change. Barriers may even include people, such as managers who are resistant to or actively working against the change initiative.

6. **Generate short-term wins.**
   Short-term wins (six to 18 months after the start of the change initiative) motivate people to keep going. These wins must be visible and unambiguous so people can see the change.

7. **Don’t let up.**
   Consolidate the gains and produce more change. Do not declare victory too early.

8. **Make it stick.**
   Anchor the changes into the organizational culture for sustained change.

Source: Kotter International staff, n.d.
predictable employee concerns. Employees will want information about the change, so HR should be prepared to address what the change will involve, why it is necessary, and how fast the changes will go into effect. Employees will also want to know what will happen to them personally as a result of the changes, so HR professionals should be prepared to answer questions like “What is in it for me?” and “What new skills will I have to learn?”

Questions about the change initiative implementation will arise among employees next. Those leading the change should be prepared to respond to employee questions about what they need to do and when and how structures and systems change. Employees will also want to know if the change initiative is making a difference, and this is when ongoing assessments should be conducted and reported. Employees will want to know if their efforts are making a difference. And finally, collaboration questions will arise. Once employees see the difference the changes make, they will want to share with others and get them onboard. The result of taking the time to respond to these employee questions and concerns will result in buy-in (Blanchard, 2010).

Blanchard’s model also emphasizes the importance of selecting and aligning the leadership team for the change initiative. Blanchard expands on Kotter’s coalition by selecting not only for power and influence, but for diversity. He encourages selecting a wide range of people for the team, including change advocates, skeptics, formal leaders, and informal leaders. Team responsibilities include explaining to affected employees the business case for the change (including why and what change is needed), developing and communicating a clear vision for the change, developing a detailed plan for the change initiative, and piloting the program before launching to a wider audience.

There are a number of other change initiative models, most of which share common themes identified by Kotter and Blanchard. Most models recommend that change initiatives have an established baseline for future measurement, a clear, well-communicated vision, buy-in from employees and senior leaders, and a systematic process (which includes assessment) in place. The IBM study, in fact, noted that change initiatives that have a consistent and structural change management approach had a 52 percent success rate, as compared to a 36 percent success rate for those who improvise (IBM staff, 2008). Excellent communication is also a common theme among change initiative models; the IBM survey noted that 72 percent of project leaders said that two-way communication was critical for success, and 70 percent of project leaders said honesty and timely communication were important.

All of these models are valuable to know, particularly for the commonalities they share. It can be confusing, however, for HR professionals when trying to decide which model would be most effective in their organizations or for a particular change initiative. The steps on page 49 borrow from these models (and more), creating a straightforward amalgam model that may help HR professionals ensure a successful change initiative in their organizations.
Example: ESPN

At sports broadcasting giant ESPN, change is not a stranger. The company is constantly adding new businesses, streamlining others, shifting resources and people into other areas, and implementing process improvements, said Tonya Cornelius, vice president of learning and organizational development at ESPN, during a radio interview for Enclaria, LLC. Change is something they do well. Until recently, however, there was no uniform change management process. Cornelius felt it was important to better equip leaders to lead and manage change, and to that end, developed a change management process for use at all organizational levels.

In developing the process, Cornelius researched all the existing change management models. She wanted a process that would embrace all the elements found in those models but which also fit ESPN’s organizational culture. The approach needed to be streamlined, simplified, and it needed to resonate with ESPN leaders. With those needs in mind, she developed a four-step process tailor-made for ESPN. The phases reflect ESPN’s sport-minded attitude and allows leaders to immediately connect with each step while avoiding jargon.

1. Pre-game  
2. Huddle  
3. Snap  
4. Score

The pre-game phase is the conversation phase, the phase where people realize they could improve a process or identify new business opportunities that may require time to prepare. During this phase, key players are identified, a stakeholder analysis is conducted, and the vision is articulated. The huddle phase is where change agents are identified, players involved in the change are managed, and the needed behavioral changes are identified. The snap phase is when the execution process begins, and the score phase—the longest phase, according to Cornelius—is when the change is actively managed, measured, completed, and embedded into the culture.

The roll-out of the process has been deliberately slow. It was launched during an annual senior leadership conference, during which ESPN leaders tackled actual business situations using the change management process, thereby allowing them to see how it could be used. Since the roll-out, the initiative has been offered as a service that leaders can request through ESPN’s organizational development team. It is voluntary, project-based, and currently led by organizational development team members with the goal of getting ESPN leaders to own it. Although the process has been in place for just one year, Cornelius notes that she is seeing more consistency in thinking about change as a process, more intentionality among leaders.

Source: Stagl, 2013.
Steps HR Can Take to Improve the Success Rate of a Change Initiative

Step 1: Obtain executive sponsorship.
A change initiative, no matter its scope, needs a senior-level champion to support and lead the change. HR should identify the right person or people to champion the change initiative. The champion(s) should not only be at a high level in the organization, but also should have credibility among employees. While other change models recommend the formation of a committee (it is especially important for each stakeholder group to feel represented at the executive level in the decision making process), it is fine if a single person serves as the executive sponsor.

The executive sponsor or sponsors must “walk the talk,” and fully—and vocally—support the change initiative, not only for those directly affected, but for the organization as a whole. Other leaders must walk the talk as well. For example, when employees approach a leader about the reasons for the change, an “I don’t like it either but we’ve got to because corporate says so” response undermines efforts to achieve employee buy-in. A response from the leader such as “I understand that you don’t like it, and here is the reason why it helps the company as a whole and why I endorse it” can do wonders for reducing resistance. This goes for every local executive throughout the organization. To support the leaders in this effort, let them know who to contact to obtain answers and provide the information they will need to answer the most common “whys.” It is imperative that the business leaders own the change.

Step 2: Identify the right change agents.
Change agents are your difference makers and should be chosen carefully. Think of them as a bridge—they will be responsible for engaging the stakeholders, which will involve a lot of two-way communication (as much inquiry as advocacy), communicating the change initiative vision, providing feedback up the management chain, and modeling the new behaviors and processes. Effective change agents should have the respect and trust of the stakeholder groups they are to engage. They may have formal or informal power. Many times a trusted assistant, for example, is a more effective change agent through their informal power and influence than an alternative with formal (position) power.

Step 3: Conduct a stakeholder analysis.
A stakeholder is someone who will be affected by the change and will likely include employees, customers, suppliers, and partners. Change agents should segment their stakeholder groups and assess the engagement level that will be required of each group to reach the “tipping point” of support that will give the change the best chance to succeed. The analysis can categorize the stakeholders into the following required engagement levels; aware, understand, buy in, or commit (see the example on the next page). HR can help change agents by facilitating the process, but it is important that change agents own the decisions.

Step 4: Develop a communication plan.
A communication plan is critical to a change initiative’s success, and change agents, with the help of HR, must develop one before the initiative is launched. The plan should address what the change initiative is (the vision), who will be involved (deliverers and to which stakeholders), when it will occur (the initiative’s timeline from start to finish), how it will be implemented (the vehicles that will be used to carry out the change initiatives), and a validation check (whether the message was received and understood, if the quality and tone of the message was on target, and the reactions of the message from those who received it).

The communication plan should include a variety of delivery vehicles to ensure that it is received. Employees absorb information at different times and in different ways, so build repetition into the process. It is common for employees who have survived previous, failed change initiatives to adopt a “keep my head down until it
passes” attitude. For these employees, it is important to demonstrate early successes in the change program. Once they believe the change initiative has a chance to succeed, they will become more receptive to the information.

Communication is most effective when it is open, transparent, and delivered early. During the stakeholder analysis, identify what the changes will mean to stakeholders, focusing on how it will affect them in particular. What will stakeholders like? What will they not like? If the change involves a new computer system, for example, will it be more user friendly for some users? How do you find out? Ask. Invite stakeholder representatives to learn more about the initiative and ask them for their feedback. It is important to answer these questions individually for each stakeholder group and develop a separate communication plan to address the unique needs of each group. Even though the change initiative may be similar for everyone, each stakeholder group will have a different perspective.

I learned this firsthand during the global implementation of an enterprise software system. Take, for example, the United Kingdom (U.K.) and Tanzania. We learned early that employee reception to the new system in the U.K. would be met with cynicism, whereas the employee reception in Tanzania was met with excitement to be receiving such a sophisticated piece of technology. In this case, the communication plan for the U.K. employees included accentuating the positives in the system. The communication plan in Tanzania included tempering expectations. The exact same system was implemented in both countries, but with very different messages for each location, with the same goal in mind—to set realistic expectations.

It is important to have early, open conversations with change agents to obtain their feedback and buy-in.
Example: Texas Children’s Hospital

Texas Children’s Hospital in Houston began an extensive expansion in 2006 which included the addition of four new buildings, new service lines, and new programs. The expansion included increasing the employee population from 6,600 to 9,000 and transitioning from a paper to an electronic medical records system. The timetable for all of these changes was four years.

The new electronic medical records system would provide immediate access to patient records throughout the organization with the goal to improve patient care and safety. The first implementation phase was launched in two large business units. To make the transition, a change initiative process was created.

The first step in the process was to create a change management team. The team worked closely with the project implementation team and senior leaders to devise activities that would lower employee resistance and build commitment for the initiative. Activities included the creation of a change agent network and conducting dress rehearsal activities.

Senior leaders selected the employees who became change agents. They served as “on-the-ground” peer champions for the change management team. They shared ongoing information, reminders, and tips about the initiative with their peers. Change agents networked with each other by holding periodic meetings and conference calls throughout the initiative. The dress rehearsal activities were actually real-life simulations to help users practice with the new system before it went live and to create buy-in. These activities also helped identify any potential issues that might not otherwise have been seen before going live.

The change initiative was measured to gauge commitment throughout the process. Four surveys were administered to end users. The first survey was administered six to eight weeks before going live to obtain a baseline measurement. Another survey was administered just two weeks before going live. A third survey was administered 30 days after going live, and a final survey was administered 90 days after going live. The data derived from these surveys indicated the benefits of using effective change management practices, including the importance of end-user engagement, leadership buy-in, and dedicated on-going support.

The change initiative involved two business units. The first business unit had strong executive buy-in and involvement, and the second one had support, but it was less visible to employees in the unit. The first business unit had a 53 percent participation rate in the simulations, versus the second business unit’s participation rate of 32 percent. The survey analyses also showed that employees who participated in the simulations were better prepared when the system went live than those who did not.

Source: Elam and Christensen, n.d.
Through inquiry, HR professionals can learn what change agents think will be the biggest reason people may resist the change. They should then ask them why and invite them to offer their solutions to address the issue. Encourage change agents to do the same, to ensure their perspectives align with those of the stakeholder group they represent.

People are often resistant to change, so it is important to address that resistance before any actual change occurs. HR professionals can help create an organizational culture that welcomes change and reduces resistance by communicating information early. The information should be explicit, clearly identifying the changes that people will not like; this kind of honesty will not only earn respect and build credibility, it will also give stakeholders time to mentally prepare for the change. The earlier the better for them to get over any initial emotional reaction that can impede their ability to focus on what needs to be done to make the change a success.

5. Pilot the change initiative.

A pilot program conducted before the launch of a change initiative will give HR professionals the opportunity to tweak any issues that arise and can potentially negate pockets of particularly stubborn resistance. For example, before the roll out of a new global learning management system, we engaged a particularly critical stakeholder group (critical for good reason based on past experience with a clunky website that made access to the learning difficult) in a pilot rollout, asking for their help to find any issues in the system before we launched globally. They were more than happy to help. A pilot group comprised of change-adverse stakeholders can be a great choice, because they will be sure to ferret out any potential issues, and once those issues are addressed, they may surprise you by becoming the most vocal champions when the actual initiative is launched.

Conclusion

Change initiatives too often fail because not enough attention is paid to managing “the people” side of change. Many people naturally resist change—but that does not mean they won’t support it. HR professionals can help employees cope with and embrace change initiatives by establishing ownership for how the change will be managed, creating a clear vision, having open and early communication, and creating genuinely curious and robust feedback mechanisms.
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