



## Change Management Excellence

Using the Four Intelligences for Successful Organizational Change

by Sarah Cook, Steve Macaulay and Hilary Coldicott  
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230 pages

### Focus

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### Take-Aways

- Four key intelligences determine your company's ability to manage change.
- They are: Business Intelligence (BQ), Political Intelligence (PQ), Emotional Intelligence (EQ) and Spiritual Intelligence (SQ).
- A significant proportion of change initiatives fail. Half of all quality improvement initiatives are later judged to be flops.
- Change programs rarely work when senior managers give them lip service while holding on to old territorial boundaries. Get senior managers on board.
- With BQ, you will have the ability to scan the competitive environment and determine your organization's path.
- Start developing BQ with an audit of your firm's internal and external circumstances.
- Before introducing a change initiative, use your PQ. Map stakeholders to determine which parties will be most affected. Try to gauge how they are likely to respond.
- EQ tends to be reflected in emotional awareness and empathy toward others.
- High EQ is linked with the ability to lead change initiatives.
- SQ is increasingly important, due to the general lack of commonly held social values.

### Rating (10 is best)

Overall	Applicability	Innovation	Style
<b>8</b>	<b>8</b>	<b>8</b>	<b>7</b>

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## Relevance

### What You Will Learn

In this Abstract, you will learn: 1) How to bring four key forms of intelligence to bear on a change initiative; 2) How to develop more of each type of intelligence: business, political, emotional and spiritual; and 3) How to beat the barriers you can expect to encounter in any change effort.

### Recommendation

Authors Sarah Cook, Steve Macaulay and Hilary Coldicott offer a solid, reliable roadmap for navigating the twisted trails of corporate change initiatives. This comprehensive presentation is based on the authors' combined 40 years of consulting and change-facilitation experience. The book provides a wealth of self-diagnostic tests, interactive exercises and checklists to help you tackle the practical mechanics of introducing organizational change from all four compass points: business, politics, emotions and the spirit. The volume demonstrates little patience with the self-serving "practical" case studies that are *de rigueur* in business books. While one might applaud the authors' sense of economy in eliminating "how great we are" stories, their absence may also explain why the book comes across as just a tad dry. Change is a perpetually dynamic story line, so one expects its roadmap to bear a range of narrative hues, although the sound advice here is rare enough. *getAbstract.com* strongly recommends this volume – when you're lost, any good map is your friend. It doesn't have to be fancy as long as it includes a compass.

## Abstract

"This book aims to help you navigate your ways towards excellent change management so that you reach your ports of destination as quickly and effectively as possible."

"In today's changing environment anyone who influences others has the capacity ... to become (a) transformational leader..."

### Finding Your Compass

If your organization is experiencing mind-numbing waves of change and is struggling to stay on course, perhaps you need a new compass – a change compass. Just as a compass has four directions, a change compass relies on four types of intelligence: business, political, emotional and spiritual. Incorporate all four into your change initiatives to establish a solid foundation for success. To be an effective innovator, you must apply all four types of intelligence.

#### 1. "BQ: Business Intelligence"

BQ includes technical and market expertise, strategy, accurate anticipation of market trends, consumer demands, solutions for customers and improved customer service. BQ encompasses the skill of monitoring a changing competitive landscape and responding to it in order to promote your organization's future well being.

The British supermarket operator, Tesco, exemplifies the use of BQ to attain competitive advantages through successful innovation. Under the direction of Sir Terry Leahy, Tesco introduced its Club Card loyalty program. With the data it harvests from card clients, Tesco can anticipate and meet customer needs. Today, it claims more than 25% of all British supermarket receipts, and *Fortune* magazine identified Leahy as Europe's best business brain. Leahy credits a lot of his business acumen to the fact that at least one week a year he engages in a most unusual ritual for a corporate leader. In line with Tesco's no-frills culture, he spends a week working on the shop floor to stay in touch with his customers and employees.

“Managers throughout an organization need the ability to navigate the sea of change. Everyone who manages people and resources needs these skills, irrespective of their title or role.”

“Change leadership can no longer be confined to a figurehead at the top of the organization who drives change forward.”

“BQ is the intelligence needed to scan the business environment and make decisions to shape the future direction of the organization.”

“BQ is key in a business environment where all the rules are being rewritten.”

To see the path your organization must follow, particularly during times of rapid change, you need sound BQ. It enables you to anticipate the future, prove that the *status quo* is unacceptable, and create and execute a detailed plan for change. Yet, even with solid leadership, employees have good reasons to get nervous about major changes. By one estimate:

- Technology-based changes fail 20% of the time.
- Mergers and acquisitions are duds about 29% of the time.
- Business process re-engineering initiatives stumble about a third of the time.
- Half of all quality improvement programs fall short.

Change initiatives falter due to four factors that suggest faulty business intelligence:

1. An insufficiently compelling justification for the change.
2. Poorly defined goals and objectives, or insufficient planning.
3. Weak executive support.
4. Competing initiatives and a lack of focus.

BQ essentially involves three critical skills:

1. Thoroughly audit your internal and external environment.
2. Analyze the audit correctly to determine what changes are needed.
3. Plan and implement the changes.

To understand auditing, picture your business environment as three donuts, each fitting inside the other. The outside is the macro environment where you must carefully weigh all the economic, political, sociological and technological factors that might influence your business. If Congress enacts a new law that affects your industry, that’s a critical macro factor. Inside the macro donut is a micro-environment that includes customers, suppliers, other stakeholders and even competitors whose efforts directly affect your company. In the center is your company, with its core organization, people and processes. In your audit, analyze your suppliers, review emerging market opportunities based on customer needs, and honestly evaluate your organization’s capabilities, strengths and weaknesses. Understand how your corporate culture works and identify the systems your company trusts and uses. Once you audit how these factors may influence your business, move to strategic analysis.

Using the SWOT (Strengths, Weaknesses, Opportunities and Threats) method, break down the information you’ve gathered. Consider the organization’s opportunities and its vulnerabilities. This analysis will help you define a future vision, set long-term objectives to make that vision a reality and develop sub-strategies to achieve those objectives. Honestly evaluate the gap between your vision and the company’s current status to understand the level of investment that change will require. Thoroughly plan your change initiative and put your decisions into action. The stages of managing a change initiative are:

- “Set up” – Prepare others for the reality that change is going to come, spell out how they will be affected, survey the skills they will need to execute change, set a timetable with relevant goals and make contingency plans.
- “Kick off” – Meet with the task force or the leaders of the change initiative. Use e-mail, videotapes, posters and training to remind staff that this program is under way.
- “Delivery” – Encourage others to step into their new responsibilities. Monitor your organization’s progress. Give feedback as needed, but expect some resistance to change and even a brief drop in performance as employees adapt to new ways.

“One of the certainties of organizational life is that change is constant. Change is not limited to one event, program or initiative.”

“SQ at work is embodied in the display of values such as integrity, honesty, responsibility, compassion, respect and courage.”

“PQ is about working with integrity towards the common good of the organization, rather than for personal gain.”

“True intelligence is having the capacity to balance information from the emotional side of the brain as well as the rational side of the brain and deal with that information appropriately.”

- **“Review”** – Reconsider what you would do differently next time. Acknowledge or reward those who made a special effort during the change initiative. Celebrate important milestones and occasions with special events.

## 2: “PQ: Political Intelligence”

To create change, you must influence others. Be sensitive to your organization’s power bases, sources and centers. Identify the levers of change you can use to encourage innovation, develop influence strategies and obtain stakeholder buy-in. Beware of negative political behaviors such as refusal to cooperate, blame-placing, selfishness, ganging up and insincerity. Counter them with positive politics, including admitting that change is hard, understanding who will be harmed by change, airing dissent and seeking “win-win” results. To build PQ:

- Perform “stakeholder mapping” to brainstorm who will be affected by each change.
- Determine each stakeholder’s response to the project.
- Be prepared for some people to champion change, some to feel victimized by it, and others to display a negative attitude and act against the proposal.
- Recognize your power base, and that of your opponents. Sources of power include rewards, coercion, legitimate authority and expertise.
- Use politics positively to work for change.

## 3: “EQ: Emotional Intelligence”

Understand how your feelings, and other people’s feelings affect organizational change. Managers often overlook or underestimate this aspect of the change compass. This quadrant includes listening, developing empathy, sharing feelings and appreciating the contributions of others. Transformational change can be emotionally challenging. Those with high EQ adapt better and inspire others. They are more nimble, and find it easier to “let go” and trust others to make important decisions. Emotions play a key role in creativity. Properly managed, they allow people to withstand much higher stress than they could otherwise. Anyone who has ever managed a team of people who lacked EQ skills understands just how important EQ is to any group facilitation. EQ tends to be reflected in such qualities as:

- Emotional awareness.
- Independent thinking.
- Empathy toward others.
- A sense of social responsibility.
- Sound interpersonal relationships.
- Good problem solving skills.

Surveys say that a change initiative is likelier to succeed if the leader has strong EQ, and thus knows how to bring others into the process and support them in finding solutions. However, don’t be a “reckless optimist.” Avoid an overly positive view of change; be aware of its risks.

## 4: “SQ: Spiritual Intelligence”

Spiritual intelligence stems from foundational values plus openness to new ideas. Leaders with high SQ can stick with a course of action despite difficult circumstances. Aware of their own inner natures, they tend to reframe problems, stand up for their beliefs and move toward their goals with inner strength and personal vision.

“What really makes the difference is the practical application of change management principles day in, day out, on a consistent basis across all aspects of how the organization does business.”

“A growing trend has emerged in the workplace for people to seek spiritual meaning, to work for and deal with organizations whose values and beliefs tie in with their own and who have integrity.”

Spiritual leadership fills a critical role in modern corporate life, where people need direction, answers and structure. Today’s companies have an unfortunate tendency to pay employees as little as possible and to treat them as liabilities or as property to be added or disposed of at will. In the past, society had yard markers, grid lines and goal posts like a football field. Players ran established plays. The goal posts represented objectives and workers shared a social agreement about the object of the game. Gradually, those clear boundaries, shared values and definite goalposts have been removed. Now people share few values or agreed-upon plays; sometimes it seems as if even coworkers play on different teams.

To counter such divisions, negativity and society shifts, help your employees find increased spiritual meaning in their jobs. If people lose sight of the purpose of their work, they may ask you, “Is this all there is?” Faced with yet another change initiative, they may respond, “What’s the point?” To build their sense of purpose and to lead under such circumstances, assess and develop your SQ. First, evaluate your sense of identity, respect for others, vision, ability to admit error, purposefulness, perspective, honor, empathy, positive nature and personal priorities. Use that evaluation to take some steps, like these, to build your SQ:

- Pick a relationship you want to improve. Apply your spiritual nature to that goal.
- Find people you feel uncomfortable with; engage them in conversation.
- Ask your family and friends for honest feedback on your strengths and weaknesses.
- Draw a picture that portrays who you really are. Keep it. Refer to it regularly.
- Keep a journal of reflections about what’s really important to you.
- Name three things to do this month to make you and your loved ones happier.
- Create a personal vision for your future state of being, a life plan.
- List your organization’s values. How do they translate into employee behavior?

Of course, you may encounter SQ-based barriers to effective change management:

- Senior or middle management profess words of support, but continue to protect old territorial boundaries.
- Bureaucratic barriers impede the natural flow of communication across groups and departments.
- Communication breaks down because people rely too much on technology, such as e-mail and the Internet.
- A narrow minded or negative corporate culture makes change hard to sell.

As these potential obstacles suggest, effective change management programs require a long-term commitment. In these situations, seek buy-in, and build stronger relationships and personal communication. Change is not a one-shot opportunity. You need follow-up and organization-wide communication. To create a positive, can-do spirit throughout your company, let the change compass and the four types of intelligence guide your way.

## About The Authors

Sarah Cook is in charge of service excellence and leadership development consultants at The Stairway Consultancy. The author of *Customer Care Excellence*, she is an established facilitator and frequent public speaker on customer service and corporate culture. Steve Macaulay has broad experience in telecommunications and IT, where he headed several change management initiatives. He is Management Development Consultant at Cranfield School of Management. Hilary Coldicott is a consultant whose practice focuses on employee development and training.