

**PROFITS THROUGH RELATIONAL TALENT MANAGEMENT:**  
**A WHOLE SYSTEM TRANSFORMATION STORY**

BY MICHAEL SCHECHTER, JOHN PARKER AND JUDY ZAUCHA

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The Customer and Enterprises Services division (“CES”) of a Fortune 100 company transformed the experiences of its clients, the internal satisfaction of its talent, and its fortunes by transforming all of its systems, including its talent management systems: It assessed each system that comprises its business, changed how those systems worked, and aligned each system with an over-arching and empowering Vision. CES accomplished this change through an Organization Development process that emphasizes Vision and Values, and strong leadership that created the transformation. Today, the talent in CES is more engaged, efficient, and happy; and CES is more productive and profitable.

**BUSINESS BACKGROUND AND CHALLENGES**

CES division is the back office to one of the largest and best known insurance companies in the United States. It encompasses all call centers, accounting, inspections, and one of the largest printing shops in the country. It handles nearly 22 million phone calls, sells over 250,000 new financial products, and produces about 300 million mailings. Historically, CES had been divided into two separate and distinct divisions. It duplicated accounting, customer service, and other services, plus related files and procedures. Because of this division, external clients experienced different responses from different

people, missed follow through due to miscommunications, and re-told their stories because the databases weren't necessarily shared.

Many managers in CES had inherited and maintained nineteenth century, industrialist leadership principles. It managed its people like commodities: The people executed tasks for forty hours a week without a need or desire for their personality or creativity. The managers measured and held their talent accountable to internal benchmarks of time and units produced, with little regard to external factors such as customer or employee satisfaction. This management attitude was passed through generations of CES leaders, creating an impermeable and static culture. Managers marshaled no significant gain nor saw a significant decline in any major category such as production or efficiencies. Nothing changed.

Beneath this crust, employees toiled silently with disappointment and hopelessness. The manager's perception of clock-punchers was correct. Employees parked their personalities and lives at the door, did their duties mechanically, were careful to not question or create in any way that might suggest difference, boss watched fearfully, and waited for the evening or weekend. It was a monochrome existence.

In short, CES division was inefficient, stunted, and frustrating to employees and clients alike. The client dissatisfaction was becoming more pronounced, staging the need for immediate change.

### **THE ROOTS OF THE CES TRANSFORMATION: LEADERSHIP AND PROCESS**

In writing this contribution, a debate materialized whether CES transformed its talent management process because of its Vice-President's leadership or the Whole System Transformation process used. The CES team swears it was John Parker, with the exception of Parker himself. The external consultants, who perhaps benefit from seeing this transformation regularly, emphasize the process which changes the whole body including the leader. The debate is reminiscent of Yeats's famous line, "O body swayed to music, O brightening glance, How can we know the dancer from the dance?"

Roland Sullivan, one of the external consultants, echoes this indistinction in two emails sent on the same day:

It was the [process that moved] countless number of individuals and teams [to] surface the fantastic ideas to move CES forward.... The design team must get strong credit. [Nicole Lorenzetti's] role was key.... Then the most important people were the 1,000 or so people who attended the waves. All other people and teams only help set the stage for the phenomenal success.

And,

The... theory says that the most critical person to model new behavior and attitudes is the top person of the organization.... I have had a number of cases where the top person could not change and the effort results were pale in terms of the [CES] case.

Similarly, CES's transformation harmonized the dancer and the dance. Its leader, John Parker, embraced change before the external consultants arrived, welcomed the formal process and consultants, courageously committed to change, modeled and (when necessary) enforced change, and inspired employees to believe again in CES. The transformation process created safety to engage, enabled people with critical knowledge to contribute in inclusive ways, provided exercises and forums to showcase CES leadership's humanity, and built and sustained the momentum through phased interventions. In sum, the story of CES's transformation shows the individual qualities and successes of John Parker, choreographed with the Whole System Transformation process.

### **The Personal Transformation of John Parker**

Today, John Parker walks through the office halls in a pressed white dress shirt, open collar, dress slacks, no coat, and an easy smile. Eyes follow him half as star-gazers and half hoping he will stop and talk. His presence infects the staff. You might mistake him for a celebrity and not the Vice President of the CES division. You might never guess that a few years ago he held a Darth Vader reputation for managing projects versus people. Before CES even recognized its need to change, its pump was primed with the personal transformation of John Parker. Parker rediscovered the value of relational leadership skills and embraced new language of wholehearted and inclusive behaviors. He then brought these values and language to CES and, in so doing, changed and affected the change of CES.

Parker began his career in a team-centric environment. They trusted each other, supported one another, created together. It was fun and engaging. Successes earned him the promotion to lead one of the Technology Divisions, where there were more employees to manage and they were not structured to work in teams. He got new mentors who taught him taskmaster leadership techniques, where a leader made sure that employees met or exceeded internally set measurables. Parker realized that the technology division could exceed its numbers and still fail because the numbers had little real meaning. But he did not challenge the system. It was not the CES way. He knuckled down and enforced. When asked, he acknowledges that he was not liked, he was feared, and he deserved it.

Then a friend, one of his mentors, died from a heart attack. He was 54 years old.

Parker had a personal crisis. His friend spent most of his life with the company and with its people. He treated the people transactionally and was remembered by some in CES transactionally. His legacy reflected his management style. The scene to Parker was like a visit from the Ghost of Christmas future: Parker realized that he was like Scrooge following in Marley's footsteps and felt the rush of urgency to change. 'Mankind was his business,' and his management needed to reflect this humanity.

In OD nomenclature, he had a personal Appreciative Inquiry moment. He remembered the meaning and values of his past, discarded the bad parts, kept valuable skills, and drew a line to design a new future. Without any OD training, he decided that he had three stages to his career. Stage two was over. He now set the vision for stage three.

Stage three, he chose, will be to lead through relationships and create a people-centric environment. He began by re-learning talent management skills to communicate, give and receive feedback, and make people feel more included and safe in conversations. He found a common language on inclusion (from the Kaleel-Jamison Consulting Group) to train the department that would instill and sustain these behaviors. He moved his Being from uber-executive to human.

Parker's personal change was highlighted first by his decision to be wholehearted, which means bringing your whole self to work. The alternative, parking your personality with your car, made the workplace transactional and unsatisfying. Without the opportunities to create, express, inquire, or otherwise be oneself, people will disengage, stop innovating, and show low energy. In short, they'll hate being at work.

Co-workers similarly can tell when they are being treated as a transaction. By becoming wholehearted, Parker discovered new creativities, ideas, and, consequently, opportunities. He began to challenge co-workers to bring more of themselves to work—to think for themselves, question when processes made no sense, feel empowered to try new ways of doing things, and be rewarded for their passion in addition to their results.

In short, rather than tell, Parker began to ask.

Parker's second significant realization was the hierarchy of Being: Think, Do, Be. At the first, thinking level, a person learns what is or should be done. It is best characterized by the six year old who, morning after morning, is ready to leave for school but forgot his socks. He is reminded and, the next morning, again comes to breakfast sockless. He knows about the socks. He just hasn't reached the Do stage yet.

The Do stage is when the boy remembers. Think now of the goals we set for ourselves, like eating healthier. Doing becomes a challenge for most to do consistently. Ironically, many corporate training programs are geared to Do. We create exercises and training how to be accountable, for instance, and the Doing lasts as long as a carrot is offered or the stick is threatened.

CES was stuck in the Do stage. It wanted its employees to perform per unit, show up to work a number of hours per day and days per year, and sustain per volume. It was a definition of Do disconnected from less quantifiable and more human characteristics. It was action measurable and thereby could be made accountable, and so CES trained its employees informally to Do and not complain.

Being is the third, desired stage, when the doing becomes engrained into our definition of ourselves. We hold the door for the elderly not because we remember or are practicing, but because that simply is who we are. Being connects what we do with our desire of who we want to Be as a person. Questioning and choosing who we Be defines our humanity and empowers us to do difficult, scary, inspiring or exotic things.

In his sunset months with the technology division, Parker discovered and re-defined his sense of Being and living wholeheartedly. He became more humble, more inviting of feedback, more relateable and encouraging. His change became the prelude to CES's transformation.

### **Assessment Drives the Need for a Whole System Transformation**

At the same time as Parker's new look technology division began to take hold, opportunity struck when several executives left. The sudden vacuum in leadership raised business questions: Did it make sense to have a divided organization? Were there redundancies? Why was CES never improving? Why were CES employees asking to transfer to other departments? Why were CES internal clients asking to have work fulfilled by external vendors?

One of the Senior Vice Presidents asked Parker to look into these questions. She gave Parker no directive or clear mandate, meaning, Parker did not have her blessing or her limitation. Parker hired outside consultants to review CES's structure and finances, as expected, and another set of consultants to review CES's culture by interviewing and surveying CES employees and clients. It is difficult to emphasize how novel or brave was this act. Within CES, culture was an irrelevant criteria. By showing an openness to deviate from the engrained culture and ask questions of change, Parker entered new (meaning risky) terrain without clear support.

The consultants performed the assessment survey, discovering and documenting the culture within CES. The results showed deeper problems than mere system redundancies, prompting the consultants to suggest addressing all of the systems. These results and recommendations had meaning because Parker was receptive to them. He then acted on the results by reaching out to Kris Kammerer.

Kammerer has sandy blonde hair, a smile warmed by the rose in her cheeks, and a sureness in her voice when she talks about Organization Development theory or training practices. Unlike Parker who is with the corporate offices in Chicago, Kammerer is based in Texas as an internal education and training specialist. She was planning a leadership retreat for CES's vice presidents and division heads when she received from Parker, to her surprise, the analysis of CES's internal culture.

Her theme to the leadership retreat changed. She purchased and distributed one of John Kotter's books, made copies of the assessment data, and created ways to share the data with the leaders—a full, transparent discussion. She intended to create the burning platform, but without creating fear: To unfold the data carefully so it would be accepted more than challenged, reveal missed possibilities and suggest that CES could choose to be different. She did so by weaving employee stories and experiences with the numbers, and committing to inclusive conversation practices.

Opportunity then again graced CES. On the eve of the leadership event, Parker was named the new Vice President in charge of the merged CES. The announcement surprised everyone, including Parker and Kammerer. Its timing, however, gave Kammerer the political backing and confidence to engage in the leadership conference fully.

If this was a military campaign, we might talk about the leadership conference as the turning point in the war. Leaders going into the meeting had the deluded sense that the CES culture was nice, fulfilling the needs of its clients and company according to its own internal measurements, and although not growing in revenue or efficiency, was fulfilling its mission. The conference would be like any other: Talk with those you normally don't see, pretend to learn something, and eat well. It would be something between a vacation and a waste of time.

Parker and Kammerer, with advice and help of an outside consultant, unfolded the cultural data carefully, created the case for urgent change, and then called them to arms. As leaders of one of the world's most famous institutions, the call to arms was greeted with an immediate and obvious response: The report was wrong, the assessment was biased or improperly performed, and the data was irrelevant. This quick response came from one table in particular: The table that Kammerer had seated the more entrenched and likely resisters. And they did not disappoint. Their table's energy quickly united and their response was thick. Kammerer and Parker let them protest, patiently, and exhausted their list of protests.

Other tables had nodded to parts of the report and had experienced some of its conclusions. The more the "resisters table" talked, the more it became alienated. And then someone else spoke up—the resisters table did not speak for him. Then another spoke up and, soon, the resisters table was in the minority. A more open dialogue ensued, permitting more people to share critical information. Parker encouraged this conversation and insisted upon the safety necessary for them to risk contributing their opinions.

In this moment, CES cracked the nineteenth century concrete in its culture and considered a new perspective of itself. Its leaders saw through their management practices, glimpsed the truth of its culture, and found an opportunity to do things differently. Nicole Lorenzetti, a Director in CES, describes:

[The] leadership meeting was to gather together all of our CES leaders with our new leader, John, and discuss expectations for the new organization. The theme was the "Ice Berg is Melting"... and the discussion focused on how we must change our approach to our work in order to be successful: Specifically our internal clients saw us as expensive and slow while we saw ourselves as doing a great job. I did see the call of action and the need to change based on interviews shared with us of our internal business partners, and *always felt it was safe to change.*

The key to the success, safety, was created by sharing the data and personal experiences openly, permitting open dialogue, emphasizing inclusive behaviors, and having Parker and Kammerer model these behaviors.

### **The Process to Transform CES's Whole Body**

Parker and Kammerer had identified the need and created leadership support for the case for change. They had never transformed a whole system, however, and did not know the next steps. In his

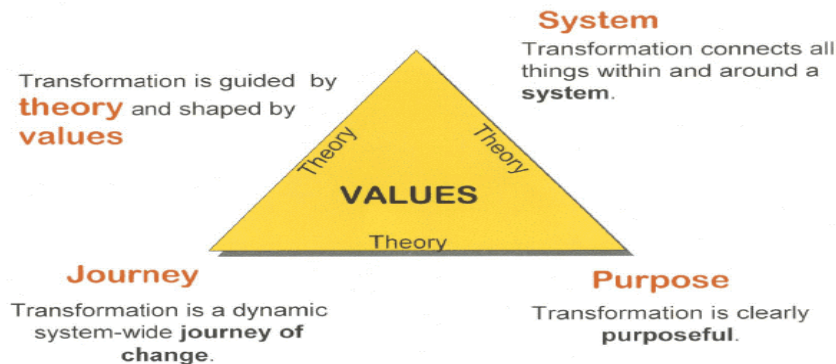
next courageous act, Parker committed dollars to a team of outside change agents, Gina Lavery, Jen Todd, and Roland Sullivan, and their whole system change methodology. Parker recalls:

I think [I committed to the process because of the] many conversations with our OD consultants asking me to trust the process.... What I didn't understand until afterwards was really the entire process has to do with transformation of many people in many different ways including myself, and trusting the process is sometimes part of that type of learning. I was given a number of books to read and peruse that did talk about the process and talk about the theory. We spent some time on theory and it made sense to me, but ultimately working with trusted partners really helped, and I was allowed to learn, thank goodness, through the process as to how to transform myself not only as me personally but as a leader within the organization.

This courage resulted in part from his earlier personal transformation and commitments, and from the safety provided by the outside consultants. They offered confidence in their experience, theory that supported their beliefs, and a process that promised success.

The whole system transformation process addresses human fears and hopes. It balances the needs for courage and safety, and permits all elements in the system to voice its thoughts and be heard by all the systems. It is based upon sociological theory, truth perspectives shared through facilitated dialogue, and the import of a communicated vision. One of the external consultants, Sullivan, illustrates these factors:

### The Five Truths of Whole System Transformation



From: Practicing Organizational Development (2005), William J. Rothwell and Roland Sullivan

The process is: (1) Gather data on the system's culture and functionality of its processes, (2) Share the data with the leader and, upon approval, the core leadership group, (3) Create and align the core leadership group behind a Vision, (4) Empower the systems to change, (5) Involve and engage the Vision and Value to a max mix gathering<sup>1</sup> of the system for the purpose of furthering the Vision and identifying

<sup>1</sup> The max mix gathering is a microcosm of the company, or, a minimum number of representatives the maximum levels within the company. The microcosm reflects the locations, cultures, diversities, and systems of the company, and can answer all questions that would be presented to the system as a whole. For transformations,

action items to make the Vision alive, and (5) Consistently solicit feedback from the system and adjust per the feedback.

This process works because the Vision and actions reinforce the message of Value—that the company and leadership value the employee as a person. The process:

- Asks for information, rather than telling;
- Involves all systems, giving a feeling of ownership and value to all employees;
- Trusts information to be shared with the systems, and people are hungry to share and receive information;
- Emphasizes ideas and growth—personality characteristics that connect people to each other; and
- Empowers people at all levels in the hierarchy to be experts on the tasks they do and to use and share their expertise.

In short, this process first suggests a new Vision for organization and then Values the human experience within the systems. The employees can relate to the Vision and find a sense of identity from it; and feel Valued by participating in designing the change.

The success of the process is something between magic and science. Magic because the results, the personal and systematic excitement, look miraculous. Science because the process can be duplicated with new organizations and the ability transferred to new people. For CES, this was a perfect match. Sullivan was very experienced with Organization Development theories and methodologies, could use Lavery and Todd as local extensions, and could train CES's internal trainers, Kammerer, Ginger Whitson and Ginny Chiappetta, to make CES self-sufficient. If CES was going to sustain a change initiative among 6,000 employees around the world and manage the initiative long term, it was going to have to develop internal competency. The outside consultants unselfishly promoted this transference.

#### **DIAGNOSING AND DESIGNING THE WHOLE SYSTEM TRANSFORMATION: THE LEADERSHIP ALIGNMENT EVENT**

The first step in the process was a leadership retreat with Parker's core leaders. The iceberg leadership retreat established the case for change among a broader group. Now, CES needed to identify and assemble its core leadership group to find a common vision.

The leadership alignment event followed the Appreciative Inquiry format. The external and internal change agents used the assessment data to help confront the past and redefine who they would choose to Be in the future. The data compelled the recognition that CES must change or die. The CES core team first looked at their accountability in the culture, what difference they could make, and what actions could make a difference. They then let go of the past and committed to action steps to involve

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the microcosm should be at least 20% of the whole organization to generate a tipping point when re-integrated into the whole system.



and transform the whole system. They finally aligned with three important decisions: (1) A common Vision, (2) core Values, and (3) a journey to involve and change the whole system.

### **Aligning behind the Common Vision: Thrill Our Customer**

The Vision identifies the common purpose that unites a team. The common purpose provides direction, promotes safety and trust, spurs momentum, creates value, and helps people become more human than transactional. For instance, many people decide to go to work to earn money. They punch the clock, do their time and cash their check. Although a vision or a purpose, it has nothing in common with others, and lacks the fairy dust feeling of value.

A common purpose depends upon relationships. Identifying a vision that shows how we decide to relate to others becomes more powerful naturally and harder to dismiss. Rather than sound transactional, it invokes feeling and thereby engenders wholeheartedness and inclusive behaviors. Starting from the heart and valuing a relational vision are fundamental to dialogue, dispute resolution, feedback, feedforward, and transformation practices. It is a different way to manage talent.

For CES, the leadership team identified the Vision at the leadership alignment retreat, but the language changed later when a front-line employee expressed it perfectly: “Thrill Our Customer.” The team also established the number one duty of each employee:

MAJOR RESPONSIBILITY #1—

Our Employees be accountable and highly engaged to deliver unbeatable service by:

1. Modeling and supporting an inclusive environment...
2. Referrals when needed, coaching, and helping to retain talent
3. Removing Barriers

“Major Responsibility #1” (MR1) has become prevalent, from a main theme in every training to the first criteria used in each employee’s annual review. It is CES’s “prime directive.” Although MR1 may seem similar to other platitudes from other companies, what makes MR1 special is that—stated so and used so—it is each employee’s first major responsibility, from the front line to the Vice President. Leaders hold employees accountable first to Being inclusive, open and relational, and then to numbers.

This Vision invokes change. Their job had been to satisfy units and the customer, but their vision now is to “thrill” the customer. Create an experience. Be memorable. Don’t count papers; deliver smiles.

With this realization, the core leadership team found the next piece of its change language: Get Different. In the past, CES had preached to work smarter, better, more efficient. Although these sound bites have been pop in management circles, they also have become caricatures of disconnected leaders. Rather than motivate employees, the terms are heard as criticisms for being dumb, inferior or unfocused. Jen Todd reflected that this new language, “get different,” recognized that CES could not “get different results without getting different ourselves. It is about a deep paradigm shift. It is about a breakthrough.” At a more basic level, getting different simply asked employees to try something new.

Not “better,” just different. This simple permission created great freedom and provided the space for innovation and empowerment, failure and success.

### **Aligning behind Common Values: Wholehearted and Inclusive Behavior**

The next key ingredient is to show and teach how to value one another. Any relational environment depends upon respectful treatment. Fears, politics, money and other business factors can undermine this feeling of respect. More common, the transactional side of business predominates the discussion and so, while a conversation may not be disrespectful, it can undermine respect by feeling like a command (devaluing the other’s input, feedback or circumstances).

Best decisions are made when all the information enters the dialogue. This means creating an environment of safety. Parker had discovered the language of wholeheartedness and inclusive behaviors, and brought these lessons to the CES core leadership team. These lessons included language to lean into uncomfortable conversations, how to give and receive feedback, and how to make others feel included in the vision and direction of the group. The core team further committed to involve all systems in the change effort and to value all voices in the system. This commitment meant trusting and empowering all systems to participate in the change.

### **Designing the Whole System Transformation**

The core team finally committed to a journey map that would lead CES to change all its systems. Following the Kathy Dannemiller “Whole-Scale Change” methodology, it designed four large group transformation events, called waves. The waves would be built along the max mix model at all levels. To achieve the max mix representation of location, hierarchy and all other attributes, attendees would need to fly-in to the wave. This included flying non-exempt employees who never had flown for the company before (some never had been on an airplane before!), hosting them in at a nice hotel, and providing meals. The core team treated each person as an executive.

Again, all these decisions were made without a budget or clear mandate from above!

One key factor in the success was the leadership team’s commitment to the change exemplified in one simple yet dramatic act. The leadership team made its schedule subject to the change initiative. That meant that the team designing the wave could book and plan the event, and the leader would adjust his or her schedule accordingly. Meetings, travel, deadlines and vacations took a back seat. The leaders became subject to the same planning as all employees, except that the leaders needed to attend all wave events.

### **Evaluation of the Leadership Alignment Event**

Everyone in CES considers this leadership alignment event as the critical victory in its transformation. It took three days to align the leadership group to the new Vision and commit to the waves. Since that time, each leader has been ‘on message’ and helped create a roadmap to complete the transformation. Parker recalls:

[The] top team alignment was totally different than other sessions that I had been through. It was focused on really speaking as one voice, taking our core leadership team of seven folks and making sure that as we went into our transformation of the organization that we were speaking of one voice so that people could trust us and trust what we were all about. What shifted for the team in the session really was all of the background of the two organizations and the leaders at the top going through the process and actually changing.

Equally as important, the leaders got human with each other, meaning, they identified with each other as a person rather than a position, shared their hearts, and, in the process, built trust in one another and greater commitment toward and accountability for their relationships. Parker again recalls:

[The leaders] were all competitive with one another, they didn't trust one another, they had spent years with their leaders working on that lack of trust and that competitiveness and a result, were not optimizing and supporting one another in what we needed to do, even though that would be a desired effect. We had to leave our baggage behind and we had to get to know one another and then agree that we were going to leave it behind and come out speaking as one voice and take the organization in a different direction. That happened in the session.

What also happened in the session was the CLT, the core leadership team, understanding and ownership of what it is we were going to do in the organization... to change the way we were going to conduct business: Moving from a *shared service organization* totally focused on process, efficiency, and effectiveness, [and] being internally measured; to a *valued service provider*,... providing and proving the value that we provide to the corporation.... [The CLT] took total ownership of that strategy in that session as well as getting to know one another. And as a result, we came out with a purpose, with guiding principles, with operating norms as a team, and truly started to operate as a team of one. Even though there were seven of us, our voices were the same.... It was unbelievable.

CLT never wavered and still has not wavered, from the Vision and Value principle determined at this event.

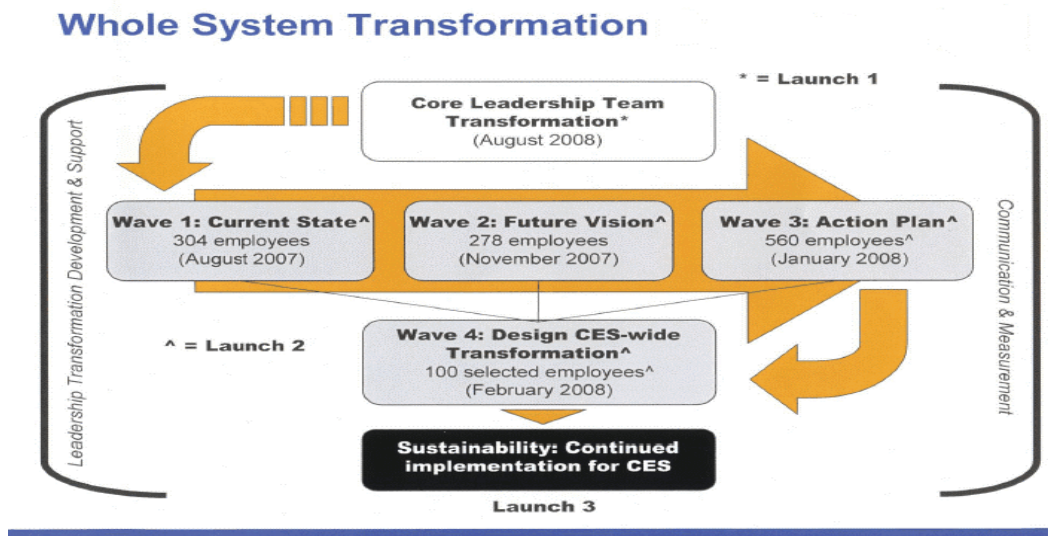
### **IMPLEMENTING THE WHOLE SYSTEM TRANSFORMATION: THE WAVES**

The leadership team committed during its alignment event to transform the whole system, or, roughly 6,000 employees in 14 locations around the world. Rather than engage the whole system at one time, the leaders decided to engage the 20% tipping point amount in four waves, with roughly 300 to 550 people in each wave.

The wave events were planned for two and a half days and were rooted in the Dannemiller-Tyson formula for change:

Dissatisfaction \* Vision \* First Steps = Transformation.<sup>2</sup>

Accordingly, each wave included all of these elements with an emphasis, or “thrust”, on one element. This emphasis evolved from wave to wave, building momentum.



As seen above, the first wave’s thrust was on the dissatisfaction, the past and how things have been. It created thoughts and conclusions that were presented to the second wave, which focused on what was working at CES and the vision of what CES could be. The third wave picked up the vision and focused further on what CES could and should become. The fourth wave brought together all the thoughts and recommendations, and mapped the journey to sustained change.

<sup>2</sup> CES and the external consultants also co-created a new formula for change, based in part on the Richard Beckhard DVF Formula on creating a collective paradigm shift.

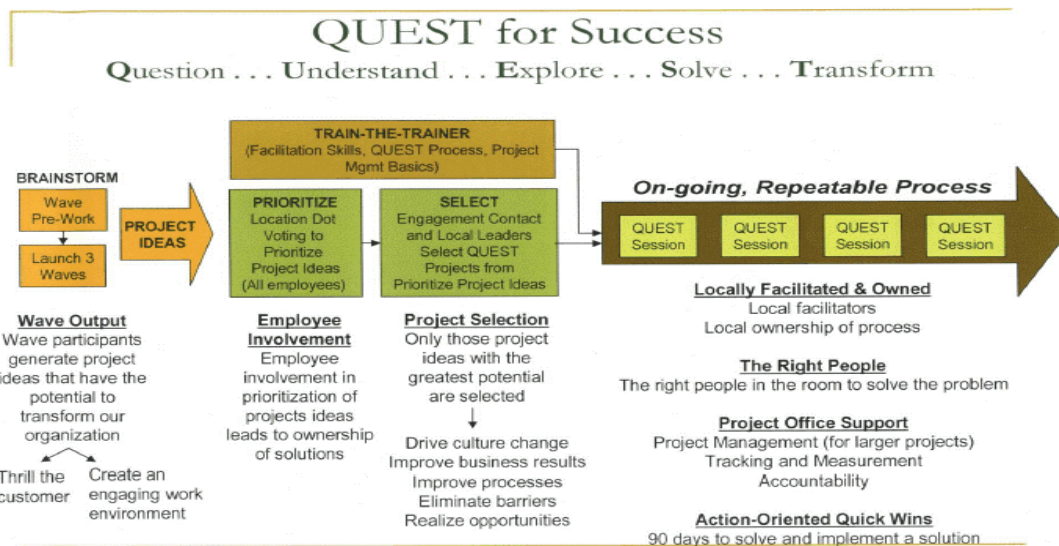
$$(D * A * F * B) = T > CR$$

“D” means allowing participants to voice dissatisfactions with the current state. “A” stands for their aspirations, which describes their yearning for a new future state. Aspiration better fit CES’s internal desire because it felt empowering to them. Aspiration was more than the absence of pain in the current situation– it was a desire to become the beautiful butterfly. The “F” stands for first steps. CES was all about getting committed to the right action that would make the difference. The “B” standing for belief was added. CES felt that if critical mass really believed they could change, anything was possible. There is incredible human talent within the organization. The talent just needed to be set free. “T” stood for the transformative leap to being dramatically different. The “>CR” stands for the total of D \* A \* F \* B becoming greater than any “change resistance”. The formula suggests that it is impossible for an organization to return to its old ways of being once it has achieved the breakthrough and the paradigm shifts.

For CES, the dissatisfaction lay with its business and premium paying customers. They struggled dealing with CES. This customer dissatisfaction created business problems that were addressable by cultural changes that the core team had considered in the Vision. CES was going to be about Thrilling the Customer, Getting Different, and fulfilling the MR1. How this Vision became action depended upon the input and recommendations of the wave.

The waves therefore focused on the entire system, following the Dannemiller Star model (depicted by the figure of a star in which the top, true north, is strategic direction, and each following point is processes and systems, form, resources, and shared information). For instance, in reviewing where CES had been and where it could go, each wave considered each point of the star and what resources it might need or processes to adjust. Action items were created at local and system levels.

The process also designed ways to grow and sustain the change. The following graph depicts the attention CES gave to the post-wave experience, adopting a QUEST formula to continue to involve and emphasize the work done in the waves.



As this illustration shows, the transformation began with leadership, expanded to large groups through the waves, and then began focusing more on the local and personal responsibilities. Individuals were required to question processes on an on-going basis and create new solutions that would improve how CES thrilled its customers. This focus on empowerment, questioning and improvement became the momentum of constant transformation.

Each wave was co-planned by members of the core leadership team, managers, and front line employees, including employees in the location of the event. Each event followed the max mix belief in each stage (from planning to tables), in organization chart rank, and in attitude (from cheerleaders to sour pusses). PowerPoint was banned. A “no stripes” policy was enforced. Leaders were seated at tables anonymously without a title. Parker explained:

It was a very inclusive process, all parties represented, all levels, all parts of the organization regardless of geography, and it was designed that way. It really was designed to bring everybody together for the first time and break down the walls of the kingdoms and queendoms that existed, and the result was incredible. People found out for the first time who they were talking to on the other side of the phone when they were working through their horizontal business processes and began to talk about how almost immediately how to make them better. That was what we were after and that's what we got.

Each wave began with a keynote from “Saint” Judy Zaucha, John Parker’s executive assistant and discovered inspirational speaker. Each wave then included room greeting activity, a presentation of ‘what is CES,’ a candid interview with John Parker (literally, someone interviewed him on-stage, live, with un-approved questions), craft activities, and an elephant box where any question could be posed to expose the elephant in the room. Each step was calculated to value the opinion and presence of each attendee, knock down barriers, become human or inclusive with one another, and show commitment to the vision.

Parker, especially, got personal and unprotected. He answered tough questions. He talked regretfully and emotionally about the manager he was. He confessed to getting drunk in college, getting hit by a bus, and breaking a lot of bones. And learning. He also did shots with his son when son graduated college. Employees were shocked to hear their boss having life experiences, even stupid ones, like everyone else. Parker became a person, not just a suit. He showed himself to be vulnerable and wholehearted.

To change the culture, CES needed to become more inclusive, transparent, appreciating and empowering. In short, they needed to Thrill Our customer and fulfill MR1. The waves explored how each person could do this. For instance, the “Stop/Start/Continue” exercise in Wave 1 asked participants to create flip charts answering this question:

In Order to thrill our customers, we must:

- Start doing?
- Stop doing?
- Continue doing?

The groups then discussed what “Thrill Our customer” meant in the context of their work and to create solutions within their departments that would further this goal.

The waves also had fun activities that reinforced the themes. For instance, in Wave 2, CES did a “Fearless” activity in which the group divided into twos and shared with their partner a moment when they were fearless or witnessed fearlessness. They used this story to prompt a discussion of what it takes to act and be fearless. The discussion then became concrete—the participants created guidelines on being fearless and thriving in the transformed organization. Finally, each person was asked to advertise their fearless guidelines in an arts and crafts project. They made a cape, decorated it with their guidelines, and showed it to others. The discussion created new creative energy about being

unafraid to show initiative. A similar exercise in Wave 3 created a superhero shield that would allow employees “to step out of our comfort zone and feel empowered to achieve MR1.”

The waves also looked at external experiences. For instance, an activity divided the teams into two groups. Group one put itself in the shoes of an external, premium paying customer, and group two was an internal customer. The two groups created lists of needs and wants, and then shared the lists. Finally, the wave as a whole discussed how CES could support both sets of needs.

Some changes were almost instantaneous. For instance, some people had worked on opposite ends of an issue, and even had spoken on the phone, but never met. They began to get a fuller view of the processes, realized barriers in how they did things, and made connections how to improve them. People also made personal connections to the change, talked about it and affected others. Many had to leave the room at times to gather themselves or reflect on what was happening.

Everyone remembers “Johnny.” She is a frontline, non-exempt, shy, plain-shirted employee who had been with the company for 34 years. She had seen it all, didn’t want any part of it, and didn’t want to contribute or even attend the wave. They flew her out anyway. Then she heard from Zaucha and Parker, and participated in the conversations. She found new hope. And courage. She went on stage and publicly addressed the 600 wave attendees: “This is the first time anyone at [the company that someone] asked me about my job and how to do better.” She confessed that she had been cynical and wanted to be happy and involved. She challenged her role in the company and her role in her personal life, and saw how choosing a new attitude and new perspective could create new possibilities within CES and her personal life. She cried and made others cry with her. “I can’t wait to go back to my desk and begin making it better,” she concluded.

The success with Wave 1 helped grow future successes. Another employee wrote, “For Wave 2 one person from my department volunteered due to the information and excitement I came back with.... I learned so much. The hotel [CES] put us up in was just beautiful and the food was great. I will ask for my name to be submitted to attend Wave 4.”

Following the wave, a department leader immediately identified the need to be in closer relationship with her co-workers and develop relational leadership skills.

Personally, it was a wake up call for me. I have found myself being more focused on the personal relationships of the folks I work with. I can honestly say I am listening more earnestly, driving folks to become engaged at all levels and looking at my coworkers with more respect, acknowledging that everyone has value and can add value.

She sustained this effort, became a more effective manager whose results soon became apparent in her team, and was promoted to Director. This promotion reinforced the new values CES encouraged.

Another employee declared an end to triangle conversations. Her manager, who had not yet attended a wave but was impressed with the impact, reported: “She would not entertain any more

‘negative’ comments. If someone had something to complain about, then [he should] come up with a solution to the issue.”

The waves’s impacts also were transformational in the magic way. One woman wrote the design committee:

Thanks again for everything you and everyone else did that made last week such a huge success. I try explaining to people that it was not only business related, that it touched a spiritual level as well. Thru what I learned last week, not only can I become a better employee, but a better spouse and a better mom. It was truly amazing. As a matter of fact, I bought a black long-sleeve shirt and got “GET DIFFERENT” in big white letters. I am wearing it proudly today.

Ginny Chiappetta says that, after the wave events, her family said she couldn’t stop smiling. She even used the OD process with her 16 year old daughter, helping to transform that relationship.

Parker became a rock star or touchstone to many employees—the leader who understood his employees and worked toward real solutions. Today he gets emails from dozens of employees at all stations asking his advice, sharing stories, and giving feedback. He tries to respond to all of them. One employee commented after Wave 1: “The buzz is still humming here about Wave 1. And I think I’m going to start a John Parker Fan Club. A photo he took with one of our attendees is now her screensaver. No joke.”

The waves were transformational, meaning, attendees moved from disengaged and disenchanted to energized by a shared vision, a feeling of empowerment to achieve it, and a sense of value that being wholehearted at work is desired. Transformation speaks to the Be state, and includes both business and personal relations. Following Wave 2 in Ohio, one transformed participant, Tony, wrote to his table:

The experience that I had in Ohio was a humbling experience. It made me see that no matter where you come from most people are all the same. Except for table 24. An extraordinary group of people. Who I have had to great pleasure of meeting and being in the company of. The compassion that each of you show for each other was overwhelming. And it made me rethink the type of person that I am. I have always try [sic] to better myself each and every day. When I wake up in the morning and look in the mirror the first thing I say is okay what can I do to make Tony a better person today. I’ll have to look any further. Because the little notes that you all wrote about me says it all. They are posted on my mirror so in the morning I just look at one and read it has inspired me to become even more of a better person. Not just about a person inside. But also a better human being.... What I mean by that is to think more logically... all of you guys at table 24 has made the difference in my life. And I am pretty sure a lot of your good qualities has rubbed off on me.... So can one person make a difference. If that is true that I’m a very lucky person because I have had seven people make a difference in my life P.S. if any of you guys ever happened to be in Chicago give me a call. I extend my hospitality out to you with open arms. Also you can drop me a personal e-mail at.... Your friend Tony



Table participants responded hours later, including the following:

I did get this email from Tony, and honestly I've been touched ever since....what he comments is very true, all expectations on my side were blown away for the best and you are all greatly responsible for it....so I thank you that. I believe it is important that we not only keep alive Wave 2 but also the friendship that was born in table 24!!! I know I will see again Jen and Kris because I do go to Virginia at least 10 times a year (family and Tech games), and I also go to TX to visit my old peers and friends...I did promise Tony that I would visit Chicago during 2008 so that only leaves me with the promise of making an effort to go around Ohio to see everybody else!!!

Please stay in touch!!!

Your friend

Edgar

## **SUPPORTING AND REINFORCING THE WHOLE SYSTEM TRANSFORMATION**

### **The Hybrid Waves**

The success of the four waves bred new energies. First, the leadership team believed that the twenty percent tipping point had been achieved but the division was not tipping fast enough. Employees who did not attend the events had not learned the language of feedback or communication, and either felt left out or were being left behind. Second, they wanted to support and reinforce the learning in the waves with the other employees. And not unimportantly, the leadership team was so moved by the personal transformations of those who attended the waves that they felt all should attend a wave. All 6,000 employees.

The transformational energy tugged at their emotions. For instance, one wave attendee wrote to the core team:

I was also blessed to be at the 1st wave in Dallas, and am still calling to mind the experience I had there on a regular basis. I'm so grateful to be a part of the CES & the... corporation. I pray the rest of the CES team that hasn't gone to a wave will feel the same excitement that is brought back from each of the Waves and start to transform their thinking.

Other success stories, like the employee who used to make others miserable returned from a wave ready to be a good teammate, highlighted the urgency in achieving the possible quickly. Or, as Harry said to Sally, "When you realize you want to spend the rest of your life with somebody, you want the rest of your life to begin as soon as possible."

For the first time, though, budget became a concern. CES already had spent dollars on the alignment and four waves, reaching the 20% tipping point. Although it would be repaid multifold in savings, reaching the remaining 80% was budgetarily daunting.

In another defining moment, CES did not relent to failure. True to its Vision to Get Different, CES decided to do a different wave: A one-day hybrid wave.

The consultants said no. Although a good idea, you simply cannot get transformation in a one day event. It was better to trust the process, trust the tipping point and plan more waves over a longer period of time. This process could be designed efficiently, respecting budget concerns and to guard against burn out.

CES stuck to its opinion. It really wanted more employees to have a wave experience, did not want to wait, and felt capable of designing and handling a hybrid one-day event. Today, they credit the outside consultants for building this internal competence through education and coaching. They then exercised this confidence and overrode the consultant's decision, created the new hybrid wave, and took full ownership of their transformative journey.

To make up for the shortened time of the event, the hybrid wave provided pre-event training explaining transformation, what the prior waves had done and accomplished, and CES's language for feedback and inclusion. Another day of training was added after the event to follow up on the one day event. These pre- and post- events were local, saving cost and time.

The one-day event followed the roadmap of the larger events, just shortened. They shared the work of the prior waves, explained the new language being developed to create and sustain the change, and invited the employees to join in the change effort. Specifically, each person was given the chance to own their position and performance, and suggest different ways of accomplishing the task. For instance, one exercise asked participants to read the CES mission statement out loud and then discuss what part their team played in accomplishing that mission. They further created flip charts showing how they could initiate acts that would move their team toward success and in the direction of the Vision.

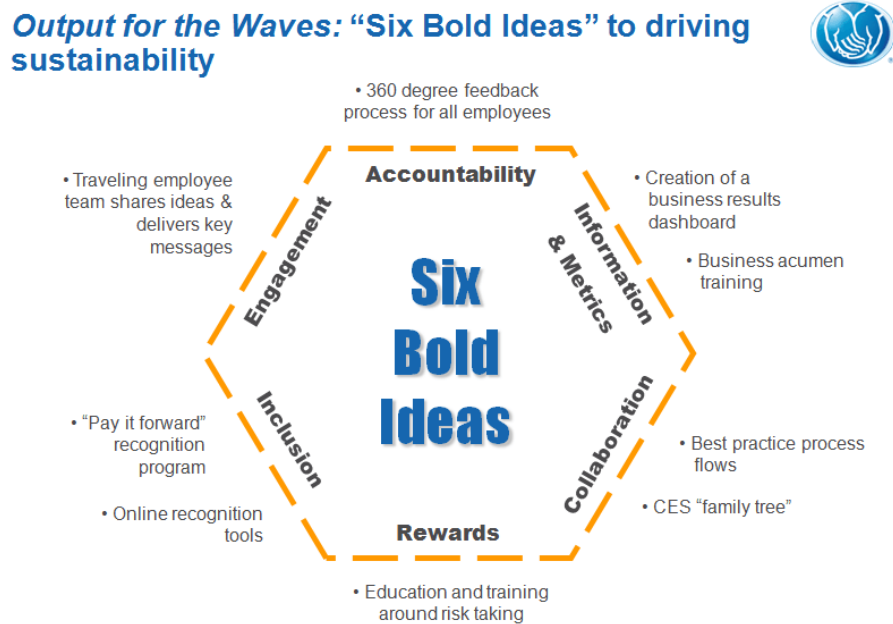
The one-day mini waves were extraordinarily successful, due in part to the hybrid planning and the fact that a critical mass had experienced the prior waves and paved the road for the hybrid waves. The hybrid waves let participants learn first hand the new language of change, question and experience the sincerity in MR1, and feel personally included. Not coincidentally, the numbers improved immediately. Parker saw higher customer satisfaction and unforeseen money savings:

Following the transformation we saw things start to happen in our measurements immediately. Our post call survey results, a survey that our customers opt to take when they make a phone call to our call centers, started to immediately jump. Years had gone by and there had been no movement. We saw seven months in a row of improvement.... We saw our ability to execute and manage our expenses change this year. Without asking, without driving, we're going to come in millions of dollars under plan and have been able to use that money in really buying more advertising for our direct sales teams and providing resources back to the organization.

In addition to saving money and performing at higher levels, employees were happier and more engaged. More employees began attending and leading work activities from department meetings to corrective action teams.

### Sustaining the Change

CES values the change it made and wants it sustained. As discussed above, it designed in its wave process the post-wave QUEST process, empowering employees to continue to question procedures, engage and solve problems, and transform the processes in the system. It also provided concrete guidance to drive this questioning and confront problems early.

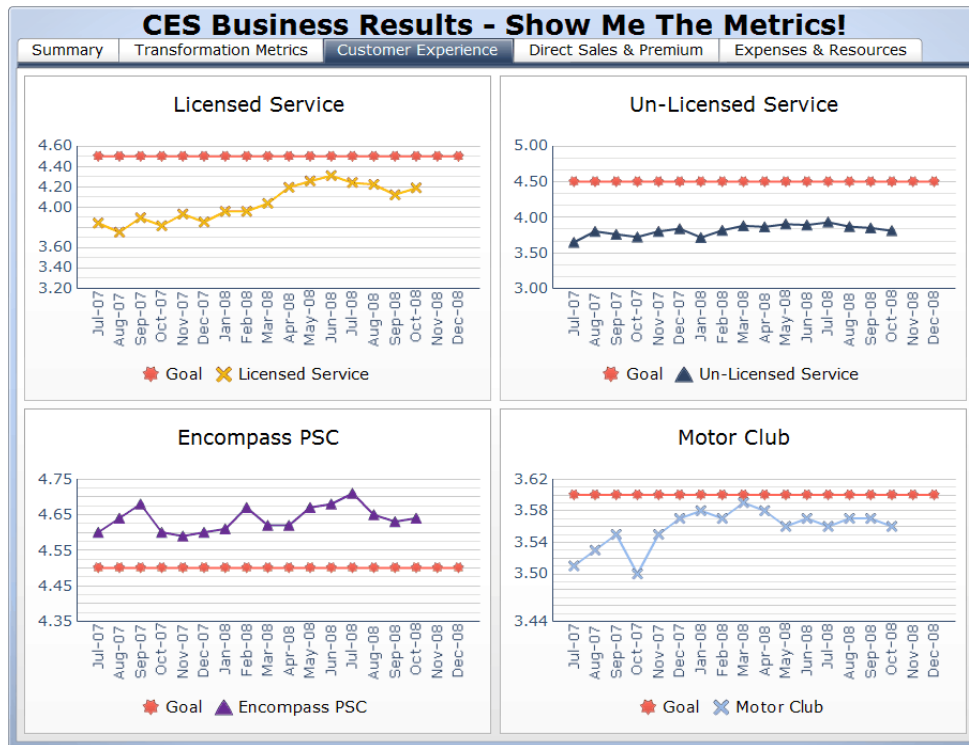


**Figure 1: Output for the Waves**

The slide shows first that CES is looking at its whole system and how those systems are supported and related. Within the systems, CES emphasizes maintaining the language of change, engaging actively in feedback, creating a rewards and recognition program, now learning about feed forward, continuing personal and business growth, and keeping the MR1 in focus. In short, sustainability is a sustained campaign that is behavior and attitude focused, and feedback and accountability driven.

In living this model, CES approved a new position requested by a wave. The Engagement Catalysts job duty is to make sure that CES is continually changing on the personal, skill development and professional level. Parker explains, “We have to constantly be changing. We have to constantly adapt to the changes that are put in front of us, and we have to [be] open and willing to do that.” The Engagement Catalysts provide consistent training and reinforcement of the transformation.

CES also monitors its progress and regressions with internal focused pulse surveys. Numbers that historically had been in the 2 or 3 out of 5 range consistently have climbed and maintained a 3 to 4.5 rating. The following summary shows improved satisfaction in every system.



**Figure 2: CES Business Results**

When a survey identifies setbacks in an area or location, the Engagement Catalysts jumps in, or a focus group is created. In a focus group, a facilitator gathers a max mix sample in one or several locations and dives deeper into the issues like a wave event. A year ago, these groups might not have worked because they were foreign and there was lack of trust how the results would be used. Today, there is a common language and trust that these events are co-designed by employees to improve the system and will have a good impact.

CES also pays attention to how it performs in comparison with other industries. For instance, it has conducted surveys with Chris Worley measuring CES’s performance in key categories:

Descriptive Statistics	OVERALL CES		Insurance		Financial Services		Health Care Service	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Sense of Shared Purpose	<b>4.12</b>	<b>0.87</b>						
Develops Robust Strategies	<b>3.99</b>	<b>0.91</b>	3.18	0.66	3.82	0.63	4.30	0.46
Encourages Innovation	<b>4.02</b>	<b>0.92</b>						
Change-Friendly Identity	<b>3.90</b>	<b>0.91</b>	3.05	0.58	3.56	0.74	4.23	0.48
Strong Future Focus	<b>3.94</b>	<b>0.98</b>	3.33	0.67	3.87	0.60	4.34	0.46
Flexible Structure (Surface Area)	<b>3.78</b>	<b>0.84</b>	3.12	0.52	3.71	0.60	3.97	0.55
Information Transparency	<b>3.88</b>	<b>0.95</b>	3.07	0.83	4.00	0.57	3.98	0.47
Shares Power	<b>3.74</b>	<b>1.09</b>						
Flexible Resources	<b>3.68</b>	<b>0.96</b>	2.75	0.82	3.05	0.89	3.58	0.90
Development Orientation	<b>3.98</b>	<b>1.02</b>	3.39	0.48	3.74	0.54	4.19	0.44
Flexible Reward System	<b>3.50</b>	<b>0.86</b>	3.07	0.65	3.85	0.59	3.97	0.64
Shared Leadership	<b>3.84</b>	<b>1.03</b>	3.00	0.55	3.64	0.74	4.28	0.46
Change Capability	<b>3.92</b>	<b>0.92</b>	2.59	0.66	3.49	0.69	4.08	0.47
Learning Capability	<b>3.81</b>	<b>0.97</b>						

*CES Response scale: (1) = Not at all; (2) = A Little; (3) = To some extent; (4) = To a moderate extent; (5) = To a large extent.  
Pilot Survey Response scale: (1) = Strongly Disagree; (2) Disagree; (3) Neither; (4) Agree; (5) Strongly Agree.*

**Figure 3: Pulse Survey Results, CES**

As this survey shows, CES scores higher consistently than similar departments in other industries. Another survey shows that, because of the successes in CES, leadership is able to spend more time building future business.

Management Attention (Percentage)	OVERALL CES		Support		Service		Bus / Admin		Facilities		Cust/ OpEx		Educ/ Comm	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Time spent fixing the business	28.39	17.74	28.74	17.42	28.74	18.24	28.09	17.89	29.53	16.10	25.48	23.36	27.13	17.14
Time spent running the business	41.69	20.96	38.56	19.33	45.11	21.99	42.15	21.43	37.11	18.82	53.81	24.96	43.52	21.69
Time spent building the future business	29.92	18.48	32.70	18.40	26.15	16.94	29.76	18.36	33.36	20.84	20.71	14.03	29.35	24.98

**Figure 4: Pulse Survey Results, Management Attention**

These surveys further show no glaring problematic culture. Worley’s initial conclusions suggest that CES’s culture is progressive, innovative, and agile.

Of Parker, his team is grateful that they have “seen very little of the old John,” and appreciative that he “lets us lead.” In a recent survey, almost all leaders expressed gratitude that Parker supported creativity, was patient, and stepped out of day to day issues. In short, he let leaders lead and got out of their way to empower them to do so. Parker also has kept the pressure on change by making it an

expectation. He holds periodic knee-to-knee chats with managers and directors, providing encouragement and accountability. And he warns about the unpopped kernels.

An unpopped kernel is the popcorn kernel at the bottom of your bag that didn't pop. Parker understands that you need to take the bag out of the microwave at some point. He accepts giving the kernels a little extra time. However, he won't let the rest of the popcorn burn. As with popcorn, he is being patient in giving time to slower managers to embrace the new vision and way of being. As they show genuine progress, there is hope. However, at some point, Parker will make the difficult decision that time is up and, if not transformed, the managers could be removed to non-managerial duties or let go.

On the one hand, this tactic runs counter the theory that change can only happen by invitation and not by force. On the other hand, businesses can reach a point of expectation that its workforce be a certain way and how a manager leads will reinforce this culture. The unpopped kernel metaphor tries to strike the balance between patience for the individual and impatience for the team, and make all accountable for the feedback and culture they helped to create. They reinforce the new criteria CES uses to evaluate and promote its talent.

#### **EVALUATION OF THE CES WHOLE SYSTEM TRANSFORMATION**

CES's greatest difficulties today are in the pockets of managers who haven't yet got it. These pockets may seem alarming to those in the trenches, but Parker is both confident and happy. CES never before has been so productive or engaged, and is attracting good talent rather than losing desired talent. The flock has turned and is progressing. The stragglers are the exception and, overtime, hopefully they will join the fold.

Parker believes the greatest lesson learned from this process is commitment. "If you're thinking about doing a whole system transformation, you have to be signed up for the whole thing." Although in hindsight Parker can show that he recovered millions of dollars more in savings than the money spent on the change and that the change improved system functions and satisfactions across the board, he did not have hindsight when he made his commitment. To the OD practitioner or the executive considering a whole system change, Parker's words ring a promise and a warning. Whole system change offers much. It also takes much courage and faith to take the leap.

The story and lessons of Parker and the success of CES are helpful to anyone contemplating a whole system change. Success depends upon finding a mixture of courage, trusting the process, diligently enforcing the Vision and Value, and committing to the whole thing. When one embraces these practices, he becomes the kind of leader who can transform an organization and create a community.

## **ABOUT THE CONTRIBUTORS**

**Michael Schechter** is the Senior Managing Director of ChartHouse International Learning Corp., the creator of FISH! Organization Development services, curricula and training programs. He has a B.A. with the University of Michigan and J.D. with NYU School of Law, earned the Minnesota State Bar Association's President's award, and is a qualified neutral mediator with the Minnesota judiciary. When not solving conflicts or transforming lives, he enjoys fishing and family.

**John Parker** is the Vice President of CES division. He has been with the company for 32 years and enjoys each and every day.

**Judy Zaucha** is the Executive Administrative Assistant to John Parker. She has been with the company for 28 years and feels extremely privileged to have been a part of such a dynamic team in working through the CES transformation.