Realizing Benefits
Winning hearts and minds

Stephen Jenner, author and Chief Examiner of 'Managing Benefits' & Susan Goldsworthy, co-author of 'Care to Dare'

Managing Benefits

APMG International

Overview

This is the second in a series of articles examining themes identified in 'Managing Benefits'[1] from APMG-International. Whilst covering relevant material from the Guide, these articles also seek to set the debate in a wider context – drawing on experience from practitioners and thought leaders from related fields just as 'Managing Benefits' itself draws on insights from a wide range of disciplines beyond project and programme management including: behavioural finance, psychology, and systems thinking. In this case, Susan Goldsworthy, executive coach, change communications expert, and co-author of 'Care to Dare'[2].

This article explores the role of leadership in enabling the behavioural change upon which benefits realization so often depends - with a particular focus on narrative leadership and lessons from the emerging field of neuroscience.

The need for behavioural change

As *'Managing Benefits'* says, realizing the potential benefits from investments in change requires that we go beyond processes and practices to consider the 'softer' side of business change, and in particular how best to achieve the behavioural change on which benefits realization is so often dependent. As David Snowden[3], former head of Knowledge Management at IBM, said,

"Consider what happens in an organization when a rumour of reorganization surfaces: the complex human system starts to mutate and change in unfathomable ways; new patterns form in anticipation of the event. On the other hand, if you walk up to an aircraft with a box of tools in your hand, nothing changes."

Central to achieving behavioural change is the ability to engage people at an emotional level – as Marchand and Peppard[4] say, "Business change initiatives are about engaging the minds, hearts and values of people in making change happen and achieving shared business results and benefits, and not about possessing new tools, renewing legacy systems or standardizing technology to reduce costs." They make the point with the example of Customer Relationship Management (CRM) systems, "CRM is not a product that can be purchased. It is a disciplined, integrated approach to managing relationships with customers that requires continuous improvement. It is a strategy to improve customer orientation, not a tactic, and although supported by IT, it involves considerable organizational re-design, including changing the mindsets and behaviours of managers and employees of the organization."

This engagement also needs to run across the business change lifecycle because in many cases benefits are emergent as people find new ways of working that were previously unanticipated. As Benko and McFarlan[5] say, real breakthroughs take longer than expected because

"People walk into the future backward, viewing the future through the lens of their past experiences".

Stakeholder engagement strategies therefore encompass: initiative design (via customer insight); delivery (aided by stakeholder segmentation, analysis and communication);

and after implementation. Consequently, if we are to optimize benefits realization from our investments in change we need to ensure that stakeholder engagement is: ongoing; forward-looking with an exploration of 'what might be'; and engages people at an emotional level by tapping into their reserves of energy and commitment. As Dearing, Dilts and Russell[6] say,

> "We shy away from forceful demands for loyalty and commitment, but we flock to and swarm round focal points where 'cool stuff' seems either to be happening or about to happen. Good leaders work with our hunger to involve ourselves, with others, in interesting work and exciting projects."

This article explores in more detail how leaders can set the conditions in which this can be facilitated – including by what is called, narrative leadership.

Narrative Leadership

This utilizes the medium of stories and storytelling to engage stakeholders in an exploration of the potential for benefits realization from change. Warren Bennis[7], leading academic in the field of leadership, argues that,

> "Effective leaders put words to the formless longings and deeply felt needs of others. They create communities out of words. They tell stories that capture minds and win hearts."

Marchand and Peppard cite an example from New Zealand where the project team wanted to make the vision recognizable and real for all staff – this was achieved, "through many change management techniques including storytelling, senior management promotions, videos and even posters and pens. They also placed strong emphasis on stakeholder engagement, working to build and sustain relationships."

'Managing Benefits' includes the example of the Triple V programme from Tetra Pak. Susan Goldsworthy was responsible for this programme which illustrates how a creative, multimedia approach can be applied to engage stakeholders in an initiative with a global reach.

Engaging 'Hearts And Minds' For Growth[8]

A focus on growth

In 2000, Tetra Pak launched a growth initiative labelled '5005' – to grow the business 50% by 2005. Although the growth did not come entirely from the areas expected, the target was achieved one year ahead of schedule by the end of 2004. The leadership team then wanted another 'Big, Hairy, Audacious Goal' (in the words of Collins and Porras) to maintain the focus on growth, though this time without a specific time limitation. Other required enhancements were recognized as including:

▶ **Branding –** The symbol that had been used for '5005' was a corporate one, relevant for the company in its totality, but not useable at country or unit level.

▶ **Emphasis on market share –** '5005' had delivered strong growth in terms of revenue and packages sold, although without also focusing on market share.

The message – creation of 'Triple V'

The two key challenges facing the team responsible for the launch of the new growth initiative were therefore to agree on a clear message that would encapsulate the wider definition of growth, and to define a communications strategy to make it 'come alive' across the organization. The result was Triple V – the three measures that would be used to assess progress on the growth ambition:

▶ **Value** is the value we provide to our customers expressed as Net Sales.

▶ **Volume** is what we actually deliver and is expressed as the Number of Packages sold.

▶ **Voice** relates to a particular market or category, in relation to our competition and is expressed as Market Share.

Although Triple V was primarily about a general mindset, corporate targets were set based on aggregate inputs from all countries and units:

▶ **Value:** Net Sales in billions of euros.

▶ **Volume:** Number of Packages sold in billions of packages.

▶ **Voice:** Market Share increased by a set percentage.

Each unit also set their own Triple V targets.

The medium – bringing Triple V to life

So far so good, but nothing too innovative – but what was new and incredibly effective was the means used to communicate the message and engage staff across the globe in its delivery. The objectives were to find a way of launching Triple V that would capture the imagination of people at all levels of the company and drive a change in mindset and behaviour. Key criteria were the need to:

▶ **Be understandable by everyone –** 21,000 employees in 165 countries.

▶ **Work at all levels of the company –** senior and middle management, factory staff and office workers.

▶ **Work across all cultures –** from Scandinavia to Iran.

▶ Be consistent with and leverage existing organizational culture and values.

In a radical move, the launch team decided to use a cartoon to communicate the challenge. Factors influencing this decision were:

Cartoons work across cultures and ages

One of the biggest challenges for any organization is to translate strategy into something tangible and meaningful for everyone in the company across the globe. Cartoons work across all cultures and all ages as evidenced by the success and widespread appeal of movies like Toy Story.

Cartoons are timeless

The growth ambition needed to last for a number of years and related more to a general mindset focusing on continuous improvement rather than a fixed target. The imagery used therefore needed to be relatively timeless, and cartoons do not date in the way that other images can.

The need to connect hearts and minds

The message had to reflect the company's core values and engage people – it therefore needed to have some liveliness and fun.

The characters as symbols

The cartoon characters were designed to reflect the diversity of the population within Tetra Pak in terms of age, gender, nationality and individuality.

The Triple V cartoon characters

The lady represented value, the large man represented volume and the Asian man represented voice. Previously, the company had used the imagery of wolves and the pack to symbolize leadership. The incorporation of 'Spirit' the wolf provided a degree of continuity and familiarity, while maintaining a focus on core values.

The launch of Triple V

The new concept was unveiled at a top management gathering. A Triple V video was introduced as a story with a voiceover explaining the challenges facing our Triple V super heroes. The characters then flew around the world interviewing people from all levels of the organization about what Triple V meant to them – from Argentina to Taiwan. A DVD package was sent to each office around the world containing, amongst other things, the film, a PowerPoint presentation, a screensaver, and downloadable files of the characters. Magnetic characters, badges, drinks mats and posters were created and distributed and the images were used widely on all corporate materials. Howling 'Spirit' the Wolf plush toys were also distributed around the world.

The results of the Triple V launch

Feedback from staff surveys was exceptionally positive and awareness of the initiative was outstanding – in a global survey six months after the launch, 97.5% of employees were aware of the company's Triple V growth ambition. Even more significantly, the cartoon story captured the imaginations of employees from across the globe – within weeks examples were flooding in from local offices showing how the story was being adapted to local conditions. In some countries, management had donned Triple V cartoon costumes at kick-off sessions, Triple V colouring packs were created and distributed at company family days, and some canteens even created Triple V desserts!

Lessons from Neuroscience

Developments in the field of neuroscience are also providing fresh insights into the area of behavioural change – and what works and doesn't work. For example, Rock and Schwartz[10] argue that the traditional approaches have failed – 'behaviourism', based on incentives and consequences, rarely succeeds beyond the short term; and 'humanism', based on connection and persuasion, doesn't engage people sufficiently. The solution lies in recognizing that:

▶ **Expectation shapes reality –** we see what we expect to see, so cultivate moments of insight that are generated from within, rather than being presented as conclusions.

▶ **Focus is power –** repeated attention to something actually leads to changes in the brain, so get people to focus on solutions not problems, and create the conditions in which people remain focused on their insights.

This in turn means that behavioural change can be facilitated by strategies such as:

▶ Cultivating moments of insight so that attitudes and expectations change more rapidly than they otherwise would – 'narrative leadership' is crucial here.

▶ Repeated attention is aided by getting people to adopt new roles and processes. So recognize the power of familiarity, which, according to psychologist Virginia Satir, is one of most powerful motivators – even more so than comfort. Familiarity (or the lack of it) rather than simple inertia is the reason that change is often so difficult.

▶ **Recognize that change and learning are mutually reinforcing –** so support training by ongoing coaching which helps people remain focused on the insights gained during training. One study found that productivity improved 28% following a training programme, but with the addition of follow-up coaching the improvement increased to 88%.

Leadership is crucial to achieving behavioural change in other ways too. One myth of leadership is that people are always averse to change. Actually, people can welcome change; what they seek to avoid is the pain of change. According to Rock[11], if people feel under threat, they are likely to minimize danger, disengage, and become problem-focused which leads to reduced creativity. When people feel 'cared' for, they are more likely to seek to maximize returns, remain engaged and become solution-focused, thus opening up opportunities and potential for increased benefits realization.

So the challenge for leaders is to create an environment where people feel familiar with the change, can 'see' the benefits and also feel sufficiently protected to step out of their comfort zones and dare to take risks. Leaders who exhibit the courage to care and combine it with the desire to dare can 'Play to Win' by inspiring those around them to 'step-up' and fulfil their own potential, delivering increased innovation and creativity. Unfortunately, many people 'Play Not to Lose' as they are afraid to fail and so do not have the courage to take the necessary risks – which is only reinforced by strict accountability for performance in a 'blame' culture. Other leaders provide stretch and challenge, but without offering sufficient 'care' and so tend to 'Play to Dominate' - creating environments that stifle rather than encourage engagement. Leaders who operate this way over long periods of time find that employees then 'Play to Avoid,' either moving on to find somewhere with a more fulfilling culture, or they 'learn' that what matters is following process and manipulating appearances rather than creating and sustaining value. The results can be seen in the 'command and control' model of leadership, where employees are paid to do not to think. In today's business climate, failing to leverage the potential of employees is a waste of resource and competitive edge.

Caring therefore makes business sense but how can leaders create an environment that encourages and supports engagement and well-managed risk taking? It's not about being 'nice' or 'making friends' – rather, it's about balancing care, safety and support with dare, challenge and risk. If you only provide people with a feeling of safety, you will be a source of comfort, but without inspiring them to explore, take risks, and actively seek challenge. On the other hand, if you encourage risk-taking but without providing a source of safety and security, you will be inspiring exploration, but without providing the necessary support for people to gain confidence in that risk taking. It is the combination of 'caring' and 'daring' that creates an environment where

people are actively engaged in a continuous search for value.

It is also about respecting individuals, what psychologist Carl Rogers termed 'Unconditional Positive Regard,' and seeing the potential in the people around you. At a very practical level, it is about asking questions rather than giving orders and, within boundaries, allowing people choice to demonstrate commitment over compliance. If you give people the opportunity to choose the way they do something, they are more likely to accept it. So, for example, if the office is changed to open plan, allowing people to decide on the angle of their desk or the type of chair they will have, or another detail, can help them accept the change more readily than if they have no involvement at all in the process. According to neuroscientists Dr. Matthew Lieberman and Dr. Naomi Eisenberger[12], when people feel social pain through exclusion, it 'lights up' the same part of the brain as physical pain. So when someone says they 'feel hurt,' they actually do. Involving people in decisions that affect them, no matter how small, can alleviate those feelings and increase their sense of autonomy and engagement.

Leadership is at a fundamental level about channelling energy and directing focus. As a leader, you receive energy from others. If you keep driving for results by squeezing every ounce of energy out of yourself and your people, you or they will burn out and lose impact. Instead, you have to create energy in a way that does not deplete you and those around you. So leaders must harness energy to inspire and mobilize individuals and teams in pursuit of strategic objectives. In the process, you and your teams can achieve more than you ever thought possible. The importance of organizational energy is highlighted in the following extract from, 'Management of Portfolios'[13].

Organizational energy

Bruch and Vogel[14] identify four different energy states:

▶ **Productive energy:** People with high emotional involvement are on the lookout for new opportunities and take decisive action to solve problems because they really care about the success of the organization.

▶ **Comfortable energy:** There is a relaxed atmosphere and people prefer the status quo.

▶ **Resigned energy:** People are mentally withdrawn and do nothing more than is required of them.

▶ **Corrosive energy:** People experience high levels of anger, fight each other, and actively hinder change and innovation. Developing and sustaining a 'productive energy' state depends upon a shared vision to which change initiatives contribute, clear leadership and a range of initiatives that engage staff including[15]:

   ▶ **Connection –** how people link themselves, their values and their work to the purpose of the organization.

   ▶ **Content –** work stimulates and provides a sense of achievement.

   ▶ **Context –** working practices support and enable people to do a good job.

   ▶ **Climate –** how the organization helps people to grow, achieve their potential and do their best.

A key component in inspiring and mobilizing others in a 'Care to Dare' climate is the strategic use of words to deliver a powerful message. Ford and Ford[16] distinguish between two types of conversation – 'committed' and 'uncommitted'. The former are conversations 'for' something, whereas the latter are 'about' something. Understanding this difference is crucial to those engaged in change management because 'committed' conversations, "move things forward, make things happen, and produce breakdowns or breakthroughs. Uncommitted conversations on the other hand, slow things down or even stop the action altogether." Research indicates that the pace at which change is implemented reflects the ratio of 'committed' to 'uncommitted' conversations. Successful change management is therefore dependent in many cases on achieving this shift in balance between 'committed' and 'uncommitted' conversations.

So narrative counts – as was recently demonstrated in the United States. Notice how Obama and Romney halted their election campaigns to focus on the impact of super-storm Sandy and the people who were affected – both Obama and Romney know that, in times of crisis, expressions of perceived self-interest are not well received. Instead, they demonstrated 'care' by focusing on the relief efforts. Said Obama, "We certainly feel profoundly for all the families whose lives have been upended. The most important message I have for them is that America's with you. We are standing behind you. And we are going to do everything we can to help you get back on your feet."

In contrast, in 2010, the Deepwater Horizon Oil Rig blew up with the deaths of eleven workers, and oil began spewing into the Gulf of Mexico in what has become the worst environmental disaster in American history. BP CEO

Tony Hayward apologized for the impact on others when he said, "We're sorry for the massive disruption it's caused to their lives." But he was heavily criticized for adding, "There's no one who wants this thing over more than I do, I'd like my life back." He didn't survive long in the role.

One final thing to consider - when the brain is relaxed and free from threat, it can also become more curious. Curiosity is vital for change for when people are curious, they are more open to learning, innovation and possibility. Narrative, conversations and curiosity can combine to engage, involve and inspire people behind a storyline, vision or strategy. As was the case with the Tetra Pak use of cartoon characters, it does not really matter whether people like the images, what is important is that they notice and become curious about them. By working on your daily leadership behaviour, you can create an environment where people feel safe and protected enough to step out of their comfort zones, take risks, and seek challenge. So creating a curious, 'Care to Dare' work climate not only makes sense for the people, it also makes sense for the business. In the words of Starbucks Chairman and CEO, Howard Schultz, "Dream more than others think practical. Expect more than others think possible. Care more than others think wise."

Conclusions

Ultimately, leadership is crucial to achieving the behavioural change on which benefits realization depends – but according to MacGregor Burns[17], "Much of what commonly passes as leadership … is no more leadership than the behaviour of small boys marching in front of a parade, who continue to strut along Main Street after the procession has turned down a side street … The test of their leadership function is their contribution to change, measured by purpose drawn from collective motives and values." This in turn is aided by where leaders are able to utilise the power of story telling to engage stakeholders at an emotional level, and where they 'care to dare' to win hearts as well as minds.

About the authors

Steve Jenner

Steve Jenner is author of and chief examiner for, 'Managing Benefits'. He can be contacted via the Managing Benefits Community of Interest at:
www.linkedin.com/groups/Managing-Benefits-4493501

Susan Goldsworthy

Susan Goldsworthy is CEO, Goldswolf & Associates, a company specializing in leadership development, executive coaching and change communications. Co-author of 'Care to Dare, Unleashing astonishing potential through Secure Base Leadership', she works with a number of international clients, is on the faculty at Webster University, Geneva and is an executive coach and consultant lecturer at a number of business schools. A former Olympic finalist and European and Commonwealth bronze medallist, Susan combines experience from the fields of sports, business and neuroscience. She is passionate about helping people turn knowledge into behaviour and creating the conditions for healthy high performance.

1 Jenner, S (2012) Managing Benefits. This guide also provides the basis for accredited examinations from APMG-International.

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