

Mastering the Emotional Side of Change

BY ROBERT ROSEN



Navigating organizational change is like walking a high-wire with too much anxiety on one side and not enough anxiety on the other. Here are a few things CLOs should keep in mind as they tread along the tight rope.

The pace of change has outgrown our ability to reinvent ourselves. We have little time to respond to one change before the next wave crashes upon us. This puts us and our organizations in a permanent state of transformation. Life and business have become tangled webs of possible pathways through an unfamiliar landscape.

We all need to find a new way of living and leading in a world of continuous change. Leaders at all levels must learn to feel at home in uncharted territory and to make friends with ambiguity and anxiety. These goals present huge challenges to learning officers around the globe.

There are two equally important aspects of leading change in the 21st century. The first is cognitive, which involves clarifying the vision, strategy and goals of the organization to help people focus on what's important. Most companies are good at this.

The second is emotional, which involves facing the unknown with courage and confidence, inspiring and challenging people to do their best and mobilizing human energy. This is the part of change companies need to master. Those that don't will continue to lose to the competition as they attempt to deal with change after change.

Great leaders are adept at leading both the cognitive and emotional sides of change. In my 30 years as a psychologist, entrepreneur and CEO adviser, meeting face-to-face with nearly 300 top business leaders around the world, I've seen firsthand their uncommon ability to tackle the intellectual and emotional challenges of change by transforming the anxiety of change into productive energy.

It is this capability to harness and direct anxiety — to create just enough anxiety — that enables these successful leaders to master the emotional side of change. And it is this capability that we must teach executives and managers if organizations are to thrive in a topsy-turvy world.

What is just enough anxiety? It is the right level of anxiety — at any given moment in time — that drives people forward without causing them to resist, give up or try to control what happens. It unleashes creativity and enables executives and managers to stretch beyond current reality into their desired future, closing the gaps that change creates — gaps between who they are and who they wish to be and between where their organizations are and where they are headed.

Just enough anxiety is the tool for leading the emotional side of change.

To live and lead with just enough anxiety, leaders at all levels must be taught to reframe how they look at change and uncertainty, what they believe about themselves in the world, how they understand and use anxiety, and how they live and lead in paradox. Let's take a closer look at these new emotional capabilities and what it is we need to teach.

Teach People to Reframe How They Look at Change and Uncertainty

Change and uncertainty are facts of life. Executives and managers who want things to stay the same or who believe stability is a sign of success are certain to resist these facts. To them, threats to the status quo must be fought and vanquished. Yet, by being attached to the ways things are, they sabotage their ability to live with uncertainty.

They end up denying reality — and forfeiting their capacity to handle change — if they become attached to pleasure and try to avoid discomfort; if they become attached to praise and try to avoid criticism; or if they become attached to getting what they want and try to avoid losing what they have.

It is this attachment to stability that causes executives and managers to magnify or suppress their anxiety when circumstances start to change, as they always will. Only by learning to allow themselves to feel their insecurity, discomfort, confusion and pain can they make the most of change.

This can be a tough concept to teach. But to build an organization responsive to change, we must help leaders at all levels detach themselves from any particular point of view. We must encourage them to accept new ideas, especially those that contradict or expand what they think they know. This will help them reframe how they look at change and uncertainty, from a crisis to be avoided to an opportunity to learn and grow.

Teach People to Reframe What They Believe About Themselves

When faced with change, many executives and managers bring self-defeating beliefs to the table, which make it hard for them to lead the emotional side of change. Some think they have to be right all the time, handle everything on their own or achieve predictable results. Some believe they have to avoid conflict to be accepted or admired, or that they will be seen as incompetent if they can't answer every question or if they make a mistake.

Others believe their anxiety is a sign of weakness, rendering them powerless to act in the midst of uncertainty. These self-defeating beliefs become self-fulfilling prophecies. They determine what makes people anxious and the amount of anxiety they feel. And they lead to individual failures and the inability of organizations to navigate change.

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Helping people uncover deep-seated, self-defeating beliefs is at the heart of leading the emotional side of change. We need to give leaders at all levels the opportunity and guidance they need to uproot the beliefs that sabotage change efforts. We need to help them develop self-affirming beliefs, such as:

1. It is OK to risk being wrong.
2. It is OK to learn from mistakes and move on.
3. It is OK to speak up, even when others disagree.

This will enable them to reframe what they believe about themselves in the world and help their mindset change from self-defeating to self-affirming.

Teach People to Reframe How They Understand and Use Anxiety

For our primitive ancestors, anxiety was a lifesaver. It signaled the need to fight or flee. But today's challenges are too numerous to consider all anxiety as a precursor to danger, something to be avoided or overcome.

There are three basic levels of anxiety: too much, too little and just enough. People who get hijacked by fear succumb to too much anxiety and are unable to perform well. Their lives feel chaotic and out of control. People who avoid or deny fear live with too little anxiety and are far too complacent to take advantage of opportunities that come their way. Their lives become boring and mechanical. But people who hold just enough anxiety are able to use that anxiety to face uncertainty, conquer change and perform their best.

Successful leaders do this, not only for themselves, but for the people in their organizations, as well. They understand the importance of knowing how much anxiety is just enough. Daniel Vasella, the chairman and CEO of Swiss pharmaceutical giant Novartis AG,

said: "It's important to put stretch goals out there and create enough healthy anxiety so people are leaning into the future. If you go overboard, you create paralysis, and if you go too slow, it's too cozy. So the question is: How far can you go?"

Finding the right level of anxiety to drive an organization forward is more art than science. "Just enough" can differ from person to person and company to company, and change with time and circumstance. We must encourage executives and managers to monitor anxiety levels, observe people's behavior and continually turn the heat up or down accordingly. We must help them recognize the signs of too much and too little, and guide them toward just enough. This will engage them in reframing how they understand and use anxiety to lead change.

Teach People to Reframe How They Live and Lead in Paradox

The world is too complex for simple, one-dimensional solutions. Your executives and managers limit their options and shortchange your organization by trying to lead from a single perspective. The best leaders, especially those who lead with just enough anxiety, are seasoned veterans of living and leading in paradox. They display seemingly opposing characteristics simultaneously.

There are three key paradoxes that enable top leaders to create just enough anxiety in themselves and others: realistic optimism, constructive impatience and confident humility. Let's look at how they do this and explore what your people need to learn.

"Realistic optimism" is the ability to tell the truth about the present while dreaming the future. It involves living "here" and "there" simultaneously. When leaders do this, they heighten their organizations' focus, instill a sense of common purpose and create a clear mental image of success.

Just ask Dennis Nally of PricewaterhouseCoopers (PwC). When the well-established audit and consulting firm was upended by changes in accounting standards, the anxiety throughout the organization was palpable. As the senior partner of PwC in the United States, it was Nally's job to help people face the reality of the situation while painting a picture of the future that would inspire them to even greater heights.

Nally faced the challenge head-on. By focusing PwC's 2,200 partners on both obstacles and possibilities, he got everyone on-board the same boat, headed in the same direction and energized to reach the same goal. He took advantage of the opportunity hidden in the change and led the partnership to the company's next level of growth.

"Constructive impatience" is the ability to build a positive, supportive environment while instilling in people a drive for results. It involves learning to be

IN PRACTICE HELPFUL HINTS FOR DRIVING CHANGE

Tips for Being Realistic and Optimistic

- Be focused and flexible about what you want.
- Balance achieving goals with discovering them.
- Be aware and wary about what you know.
- Balance facts and figures with imagination.
- Be practical and magical in what you do.

Tips for Being Constructive and Impatient

- Balance compassion with a drive for results.
- Challenge people to perform in a supportive environment.
- Balance setting stretch goals with getting buy-in.
- Know when to move forward and when to stay put.
- Balance winning with win-win.

Tips for Being Confident and Humble

- Share your strengths and shortcomings.
- Listen to and learn from others.
- Empower people to succeed.
- Respect others' values.
- Build mutually satisfying relationships. **CLO**

— Robert Rosen

comfortable with discomfort and balancing a sense of urgency with compassion and patience. When leaders do this, they foster people's hunger to get ahead and challenge them to stretch their capabilities, while providing them with what they need to succeed.

Cadbury Schweppes CEO Todd Stitzer knows that his ability to stretch people beyond their limits in a constructive way is the key to achieving his goal. When he became CEO in 2003, he challenged people to make the company the very best it could be — not an easy task for a company that competes with giants such as Nestle and Coke. But Stitzer knew that “being among the best, feeling that you’ve danced with elephants and avoided being stomped on, appeals to a lot of people.” So he set a goal to be a top quartile performer in the industry.

Under his leadership, Cadbury has undergone a \$10 billion acquisition spree, ramped up profits and outpaced Coca-Cola and Pepsi in market-share growth in the U.S. soft drink market. It's now number one or two in 23 of

the world's top 50 confection markets. By asking for the slightly impossible, he created just enough anxiety to get people on-board and move them forward.

“Confident humility” is the ability to lead with power and generosity at the same time. It involves being sure of yourself while openly listening and learning from others. When leaders do this, they build trust, develop productive relationships and create high-performing teams.

Sally Jewell is a great example. Since taking the reins at REI, she brought the company back from the brink of disaster by building solid relationships with employees, customers and the world at-large. She started by sharing the fundamental building blocks of the financial side of the business at town-hall meetings, giving everyone the chance to participate.

“It was like a bucket of ice water on employees,” she said. “They didn't realize that our performance had been declining on a number of key measures for several years.”

But Jewell's confidence in herself and her collaborative style paid off. REI now operates more than 80 stores in 27 states, with more than 8,000 employees — and also has the largest outdoor store on the Internet. Additionally, company sales in 2005 surpassed \$1 billion, and it is consistently recognized as one of the “100 Best Companies to Work For” in the United States by *Fortune* magazine.

These four reframes enable great leaders and their organizations to lead both the cognitive and the emotional side of change. They are clear differentiators of success. As a chief learning officer, you can help your executives and managers learn to create just enough anxiety to propel your organization through change after change. You can teach them to look for opportunities in change and uncertainty, develop self-affirming beliefs about their ability to lead change, understand and use anxiety as a positive and powerful force in their lives, and live and lead in paradox. Through their actions, your organization will consistently close the gaps between where it is and where it's going. It will have mastered the emotional side of change. **CLO**

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