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The Value of Emotional Intelligence in Transformational Change

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John Kotter's book *Leading Change* (Harvard Business Review Press, 2012) reported that 70% of change initiatives in organizations fail.

As technology and the global marketplace evolve, organizational change has shifted from a "nice to have" to a business necessity, forcing organizations to become more adept at transformational change management (a change in organizational strategy and processes designed to be organization-wide).

Yet, if Kotter is correct, 70% of organizations would continue to suffer failure when implementing change. Why is this so? A key reason many organizations fail is the lack of emotional intelligence in leaders and change agents. Here, we'll discuss reasons for change failure, the use of a team approach to initiating change, and the value of developing emotional intelligence to deal with conflict and resistance.

WHY TRANSFORMATIONAL CHANGE FAILS

Companies evolve as markets, consumers, technologies, and product needs shift, with the resulting organizational change ranging from minor adjustments to company-wide processes. Regardless of the size and impact of the change, staff members are impacted. The change itself can create tremendous fear, strife, and anxiety in employees.

Successfully managing change has become a core competency for organizations. Companies most likely to be successful in effective transformational change are the ones that no longer view organizational change as a discrete event, but instead see change as a constant opportunity to evolve the business. They anticipate change, have a culture that embraces it, are well prepared, and have discipline in their execution and follow-through.

The CEO or other leaders at the strategic level of an organization can direct and plan change. However, it is the responsibility of mid- and direct-level leadership and teams to implement, adjust, guide, and measure the change initiative. Kotter suggests that associating major transformation with one highly visible leader is a dangerous belief. He stated, "No one individual, even a monarch-like CEO, is ever able to develop the right vision, communicate it to large numbers of people, eliminate all the key obstacles, generate short-term wins, lead and manage dozens of change projects, and anchor new approaches deep in the organizational culture."

While a single leader is dangerous and often ineffective, multiple supporters of change at various levels in an

organization contribute to driving successful change initiatives. Supporters and key players in transformational change are "change agents" who assist transformation by focusing on effectiveness, improvement, and development. They generally operate under a leader's future vision, seeing the potential for successful transformation and understanding both the impetus for change and the proposed future state of the environment after the change is completed. They work with others in the organization to communicate the need and direction for change, while listening and understanding concerns, obstacles, and issues surrounding the proposed change.

The change agent communicates and adjusts the vision based on the challenges identified and works to ensure that change successfully delivers the proposed outcomes. In addition, change agents work with individuals and teams in the organization to create additional change agents and to overcome resistance where it is identified. In most successful transformational change efforts, team-based approaches to implementing, guiding, and measuring change result in better buy-in and reduce the tendency to functionalize, or "stovepipe," change initiatives.

A TEAM APPROACH TO IMPLEMENTING CHANGE

The purpose and structure of change management teams is an important consideration in implementing effective change. In short, structure should follow purpose. Often, organizations will charter existing teams to implement

change to defray costs in terms of time, personnel, and funding. However, if the team is not structured to achieve the defined objectives, the long-term costs will be much higher, particularly in terms of operationalizing and institutionalizing the organizational change. The following are considerations when organizing a change management team:

What is the team's purpose in the change management initiative—what does success look like? Team members must have a clear understanding of the team's purpose and of what, specifically, they are responsible for to achieve success. For example, a team may be organized to market and promote the change initiative. Another team may be responsible for developing the implementation plan and so forth.

Based on the purpose, what type of team is appropriate and who should be on it? The purpose and composition of the team must be congruent. For example, if the team is responsible for marketing and promoting the change initiative, it may be appropriate to have representation from customers, suppliers, and other stakeholders that are external to the organization.

According to Robert N. Lussier and Christopher F. Achua in *Leadership: Theory, Application, & Skill Development* (5th Ed) (South-Western Cengage Learning, 2012), there are various team types that can facilitate change initiatives:

Functional teams. Members belong to the same functional department and may focus on their area of expertise rather than the overall organizational change initiative.

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Virtual teams. Members are geographically dispersed, requiring team meetings and actions through electronic means.

Self-managed teams. Members are cross-functional and have a wide latitude in making decisions and defining team responsibilities. Team leadership is often rotated depending on the task and required expertise.

Managing change requires a clear focus on key factors that can be identified and qualified as a change management formula for success. Change management consultant Rick Maurer, in his *Building Capacity for Change Sourcebook* (Ingram Book Company, 2000), offered the following formula by David Gleicher for "Successful Change" in organizations:

$$\frac{SD \times V \times FS = C}{Resistance}$$

SD stands for Shared Dissatisfaction; V is Vision; FS is First Steps; and C is Successful Change.

Transformational change often benefits most from a hybrid approach, such as a cross-functional, virtual team where communication channels are opened across multiple perspectives. Again, the purpose drives the structure and type of change management team.

USING EMOTIONAL INTELLIGENCE TO MANAGE CONFLICT

Organizational and team conflict are inevitable, perhaps more so during times of transformational change because of resistance to the change initiative. Leaders at all levels must understand that positive conflict drives innovation, communication, and team development.

A perceived lack of conflict may be an indicator that team members do not trust the leader and/or that complacency has become the team norm—members do not care if the change initiative and the team goals are achieved. It is the responsibility of the leader to handle conflict in a manner that is conducive to achieving the team goals and, ultimately, implementing the change initiative.

While large, high-impact changes most often are actively managed, smaller adjustments often have a direct impact on productivity numbers. Yet even the most minor change can create a negative impact on staff, further compounded by the number of changes or adjustments and the length of stabilization periods between change.

Organizational change can be intimidating, creating fear and concern in team members. The fear of the unknown, comfort in the status quo, concerns about relevancy after change, and concerns for the future are intimidating to workers and create a level of resistance. This resistance to change is demonstrated in various forms, such as decreases in output, attrition, transfer requests, infighting, sullen hostility, slowdown strikes, and, of course, the communication of functional and process reasons why the change will not work. Regardless of the scope of

change, there is always a subset of individuals who, intimidated by change, resist all attempts to transform their organization. Change resisters can be found at all levels of an organization and are often a product of previous change efforts in the organization.

Managing resistance is a crucial success factor for implementing organizational change. Recognizing the fears and concerns that resisters have provides an opportunity for greater insight and potential improvements in the affected processes. The aim is not to convert resistors, but rather to respect their opinions and bring to light the limitations in the innovation so that these issues can be addressed frankly and honestly, resulting in improved effectiveness of change. While converting every "resister" may not be a realistic goal, leaders who listen and understand the concerns vocalized may gain greater insight and potentially improve the vision for change based on issues identified giving voice to the concerns identified.

A first step to handling conflict is determining if it is functional or dysfunctional. Functional conflict is centered on achieving the team's purpose, goals, and objectives. It can be healthy and productive if managed effectively. The team leader should facilitate and encourage functional conflict. Dysfunctional conflict is a barrier to achieving team goals and objectives. It is centered more on personality differences, and it can cause significant damage to teams and the change initiative if not resolved. Both types of team conflict require attention from the team leader, who should encourage functional conflict and directly address and resolve dysfunctional conflict.

To effectively manage team conflict and change resistors, leaders and change agents must develop and apply the competencies of emotional intelligence. EI is "the ability to recognize and understand emotions in oneself and others, and the ability to use this awareness to manage one's behavior and relationships," according to Travis Bradberry and Jean Greaves in *Emotional Intelligence 2.0* (TalentSmart, 2009). Experiencing change is an emotional event for many, so assessing and developing emotional intelligence is a leadership skill needed to address resistance.

Bradberry and Greaves identify two emotional intelligence competencies—Personal and Social—along with four associated skills. Those skills are Personal Competency: Self-Awareness and Self-Management; and Social Competency: Social Awareness and Relationship Management. High-performing leaders continuously work to identify and improve their emotional intelligence competencies and skills as well as assess the emotional state of their teams. Recognizing the anxiety, concern, or stress in team members enables a leader to elicit information around a change and, where necessary, to modify the approach to change.

Daniel Goleman, Richard Boyatzis, and Annie McKee, in

Primal Leadership: Realizing the Power of Emotional Intelligence (Harvard Business Review Press, 2002), contend that in order to create effective communication and improve change results, "the leader has to pay attention to the hidden dimensions: people's emotions, the undercurrents of the emotional reality in the organization, and the culture that holds it all together."

Paying attention to organizational and individual hidden dimensions requires leadership to particularly focus on Bradberry and Greaves's Social Competency and the skills of Social Awareness and Relationship Management when engaged in a change initiative. Social Awareness, the authors say, is the ability of leaders to "pick up on emotions in other people and understand what is really going on with them... perceiving what other people are thinking and feeling even if you do not feel the same way."

This skill is particularly important in recognizing silent change resisters. Vocal and expressive resisters can be easily identified. However, the silent resisters are difficult to identify and, consequently, can undermine change initiatives through actions that may be unknown to the leadership. Developing Social Awareness facilitates the identification of these resisters and enables leadership to manage potential barriers to the change initiative.

Bradberry and Greaves say that Relationship Management, the second skill associated with the Social Competency of emotional intelligence, is the ability of leadership to "use their awareness of their own emotions and those of others to manage interactions successfully...this ensures clear communication and effective handling of conflict."

Successful organizations embrace change as opportunities to evaluate and improve process, procedures, and structures. These organizations look to their leaders to identify and support areas for improvement, open communication channels, positive and healthy conflict resolution strategies, and cross-functional development processes. The most effective leaders leverage their own emotional intelligence skills to provide a safe and secure environment that decreases the fear and concern associated with change by demonstrating their own support and through empathetic listening and opening the channels for communication that allow resistors to express concerns. AQ

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