

The Inhibitors of Rapid Transformation: Perspectives of Senior Human Resources Leaders

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Senior Human Resources executives are becoming the go-to leaders for guidance about “what now?” following the receding worldwide recession. Indeed, the most important question that senior HR leaders are beginning to hear from their CEOs is, “How can you help me launch the next major phase in the company?”

Regardless of the game changers they face, leaders of organizations in all sectors are going to have to rejuvenate, reposition or in some cases, reinvent their strategies and business models, to be able to boldly and rapidly transform their enterprise.



Robert H. Miles

Not too long ago I was asked to reflect on my involvement in helping executive leaders rise to different kinds of corporate transformation challenges. The perspectives I developed were derived from the more than 25 corporate transformations over the past two and a half decades for which I had served as principal process architect.

This mid-career moment of reflection enabled me to discover some new perspectives on corporate transformations, which were recently published in an article in the **Harvard Business Review** to help senior enterprise leaders respond to transformation challenges.¹ In “*Accelerating Corporate Transformations-Don’t Lose Your Nerve!*” I identified six embedded “inhibitors” that build up in companies that have been pursuing variations on the same success model for an extended period of time. I also observed that any one of which if left unattended by an executive leader can derail a corporate transformation launch.

The purpose of the present article is to validate the new insights from my clinical practice by surveying the perspectives of management professionals who have the most expertise and direct involvement in the corporate transformation domain – senior human resource executives. But first, allow me to briefly reprise the key clinical insights about and identify the most important “inhibitors” that may thwart successful corporate transformations.

Transformation Insights

The most important insights from my corporate transformation practice are as follows:

First, *transformation launches must be both bold and rapid to be successful.* We live and lead in a world of highly compressed cycle times and multiple and simultaneous distractions. Moreover, most of our employees have witnessed many previous failed attempts and have become justifiably skeptical of each new round of heralded change. Given all of these headwinds, leaders must be both bold and swift in launching their transformation processes.

Second, *a number of “inhibitors” become built up in organizations over time, especially in those that have been pursuing variations along the same business model.*

Third, although the existence of these inhibitors can become irritating from time to time, they are relatively benign during steady state periods in which the organization is pursuing incremental improvements along the lines of the traditional business model. But *when the time comes to transform an organization, any one of the inhibitors can derail the whole effort if left unattended.*

Finally, *it is better to deal with the inhibitors in a particular sequence* as the stages of transformation planning,



launch and execution unfold in an organization.

The major conclusion reached from my clinical experiences was that all six inhibitors are very important in determining the success or failure of a corporate transformation; that, indeed, overlooking any of the embedded inhibitors by an executive leader would derail his or her transformation effort.²

Transformation “Inhibitors”

There are six embedded inhibitors that will be encountered in any transformation attempt. Five can be expected to emerge during the planning and launch phase and a sixth will appear at three predictable waypoints during the first year of execution.

Inhibitor #1: Cautious Management Culture

“Executives keep their heads down, protect their business and try to avoid big mistakes by sticking to the tried and true.”

When the call for transformation first goes out, managers and employees usually are immersed in activities that reinforce the existing business model. People are engaged in a deep routine of doing their own thing, supporting their own slice of the organization and getting rewarded for it. There initially is no incentive to speak out with big, bold ideas to support the new transformation challenge. Contributing to this initial pattern of avoidance is fear about the unknown, the unproven and the incomplete. Managers and employees have arrived at the moment of transformation challenge by successfully mastering the competencies required by the business model being replaced. Finally, most have seen managerial initiatives and mandates come and go; so there will tend to be at the moment of transformation launch a vein of uncertainty that runs throughout the organization about the leader's commitment to stay the course. All of these elements contribute to cautiousness in the management culture about recognizing the need for and signing on to the leader's new transformation agenda.

Inhibitor #2: Business-as-Usual Management Process

“Day-to-day processes are already overtaxed and there's no room for anything new or different.”

Any attempt to plan and launch the next phase in an organization within the day-to-day management process will receive short shrift because the agendas of all those routinely scheduled meetings will already be overcrowded. Indeed, you will always find executives waiting in the hallways outside these events, just hoping to get in for five minutes to present their ideas. The business-as-usual management process also is typically preoccupied with incremental improvements; not breakthrough results. At best, attention to a new transformation challenge will be deferred until someone has come up with the “perfect” new business model. Finally, within the business-as-usual process, only a few executives will be intimately involved in planning the transformation and in defining its major initiatives. Hence, when it comes time to implement, the rest of the executives who have been in the dark will cast large shadows over their parts of the enterprise.

Inhibitor #3: Initiative Gridlock

“Too many separate initiatives are being thrown at the organization and its people at the same time.”

In most organizations over time you can witness the accretion of layer upon layer of initiatives. Sometimes this happens because of the proliferation of uncoordinated functional initiatives, in which each department attempts to drive improvements from its perspective throughout the enterprise. In other instances, initiative gridlock emerges because the leader of the enterprise lacks the courage to focus his or her organization on a few important initiatives to achieve early returns, learn from mistakes and redouble the effort behind the chosen initiatives to achieve breakthrough results. The result is task overload throughout the organization. This is the typical environment into which a leader's new transformation challenge dumps yet another set of initiatives.

Inhibitor #4: Recalcitrant Executives

“Some executives remain unconvinced and uncommitted to the organization's transformation agenda.”

Protracted tolerance of nonaligned, uncommitted or incapable leaders can most certainly derail any transformation attempt. This is particularly the case of very senior executives who hold sway over large parts of the enterprise and whose skills at their advanced career stage may sometimes be out of sync with those required by the transformation agenda. Many of these key executives will be loathe to alter the regimes they are already pursuing in the part of the organization for which they are responsible. They may resist requests to re-allocate resources to help unproven or underperforming units improve, but which may be better aligned with the transformation agenda. Fi-



nally, conflict avoidance on the part of many transformation leaders often causes them to allow recalcitrant executives to persist in their traditional ways and thereby undermine the organization's transformation success.

Involving all senior executives in tackling the first three inhibitors can often help many find a way to not only come aboard but actively champion the new transformation agenda. So don't try to take on Inhibitor #4 fully before you've worked with your team through the preliminary inhibitors.

Inhibitor #5: Disengaged Employees

"Employees are always one big step behind leaders, putting the organization out of alignment and leaving employees disengaged."

A host of recent studies have shown that employee disengagement is a primary reason for transformation failures; so it is important to address this inhibitor just as soon as you have dealt with the first five.

What do you see when you encounter disengaged employees?

Managers and employees do not understand the need for transformation. They do not grasp the new strategy and transformation agenda. They may work hard, but do not know where to best focus their efforts. They often don't feel safe in sharing new ideas. They don't believe they will be rewarded for their mastery of new behaviors and skills required by the transformation. Finally, they do not know how to lead the transformation at their level in the organization.³

Inhibitor #6: Loss of Focus During Execution

"Just when the transformation effort seems to be taking hold, the execution hits another slump in momentum."

By the time the transformation process shifts into execution, some executive leaders may have become lulled into a state of exhaustion. They may wish to think that all that positive energy and intense focus achieved during the planning and launch phase will automatically be transferred and retained during the execution phase. Falsely reassured by this assumption, such leaders all too quickly delegate the transformation oversight and follow through to others before moving on to more immediate or novel challenges. Such leadership behaviors are in direct contrast to what is actually required during the first year of execution.

During the first full performance year under a new transformation agenda, the leader can expect to encounter no less than three predictable "slumps" in energy and focus, which if unanticipated and unheeded can derail the transformation effort just as surely as any of the five inhibitors encountered during the planning and launch phase.

- The first predictable slump is the "*Post-launch Blues*," which involves a desire on the part of leaders to relax immediately following a bold launch. After several months of distraction from their involvement in transformation planning, some executives reach their limit in being able to juggle their responsibilities for planning and launching the transformation while running their part of the day-to-day business. So, you are likely to hear something soon after launch like, "Hey, we're over the hump!" For many this will signal their return to business as usual, which everyone in their part of the organization will surely notice and imitate.
- The second predictable slump, "*Mid-course Overconfidence*," will predictably emerge about half way or two-thirds of the way through the first performance year. By that time, the transformation vessel will have cleared the harbor, many important things will appear to be on course, and the tendency will be to set the sails, lash down the tiller and sit back to enjoy the smooth sailing. This kind of early complacency can sap important energy and focus so critical to keeping the transformation momentum on pace and on course.
- The final predicable slump comes at the end of the first performance year. Called the "*Presumption of Perpetual Motion*," you know when you are approaching this slump when you hear something like, "We don't have to go through all that again, do we?" This slump is based on the belief that by year-end things are progressing so well that there is no need to re-examine, re-plan and re-launch the effort at the beginning of the next performance year. Of course, nothing could be more ill-advised.

Perspectives of Senior Human Resources Leaders

In an attempt to validate my clinical insights about the importance of all six inhibitors, I surveyed senior human resource executives representing over 20 different companies that span a variety of industries, including manufacturing, retail, financial, software, semiconductor, chemical, logistics, medical devices, insurance, oil and gas services, government, not-for-profit and military. The survey form was simple; it condensed the six inhibitors down to a single page, which is shown in the table below. These HR leaders were asked to rate the importance of each inhibitor, on a 5-point



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Readiness to Launch a Transformation

The Six Inhibitors		How important will it be to deal with this Inhibitor in launching a transformation in my organization?				
		Irrelevant	Not Very Important	Somewhat Important	Important	Critical
Cautious Management Culture	<ul style="list-style-type: none"> • Deep routine of doing one's own thing and getting rewarded for it • Often working very hard on existing business model • Fear of the unknown, unproven and incomplete • Uncertainty about leader's commitment to stay the course • Little incentive to speak out with big, bold, new ideas 	1	2	3	4	5
Business-as-Usual Management Process	<ul style="list-style-type: none"> • Attempts to plan and launch the next phase within the day-to-day management process, whose agenda is already overcrowded • Only a few executives involved in defining the major transformation initiatives • Preoccupation with incremental improvements; not breakthrough results • Waiting for the perfect new business model 	1	2	3	4	5
Initiative Gridlock	<ul style="list-style-type: none"> • Lack of courage on the part of leaders to focus their organization • Layering one initiative on top of another • Uncoordinated functional initiatives • Not staying with an initiative long enough to achieve early results & learn • Feeling of task overload in the organization 	1	2	3	4	5
Recalcitrant Executives	<ul style="list-style-type: none"> • Protracted tolerance of nonaligned, uncommitted or incapable executives • Conflict avoidance by the executive leader • Reluctance of executives to re-allocate their resources to support the transformation agenda • Anxiety about personal competencies needed to perform 	1	2	3	4	5
Disengaged Employees	<ul style="list-style-type: none"> • Employees do not understand the need for transformation • They do not grasp the new strategy and transformation agenda • They may work hard, but are not sure where to focus their efforts • They don't feel safe in sharing their best ideas • They are not certain they will be rewarded for the new expected behaviors • They do not know how to lead the transformation at their level in the organization 	1	2	3	4	5
Loss of Focus During Execution	<ul style="list-style-type: none"> • Desire to relax immediately following launch of new initiatives • Tendency to put everything on auto-pilot once things appear to be on track • Belief that things are progressing well, with no need to re-plan and re-launch at the beginning of the next performance year 	1	2	3	4	5

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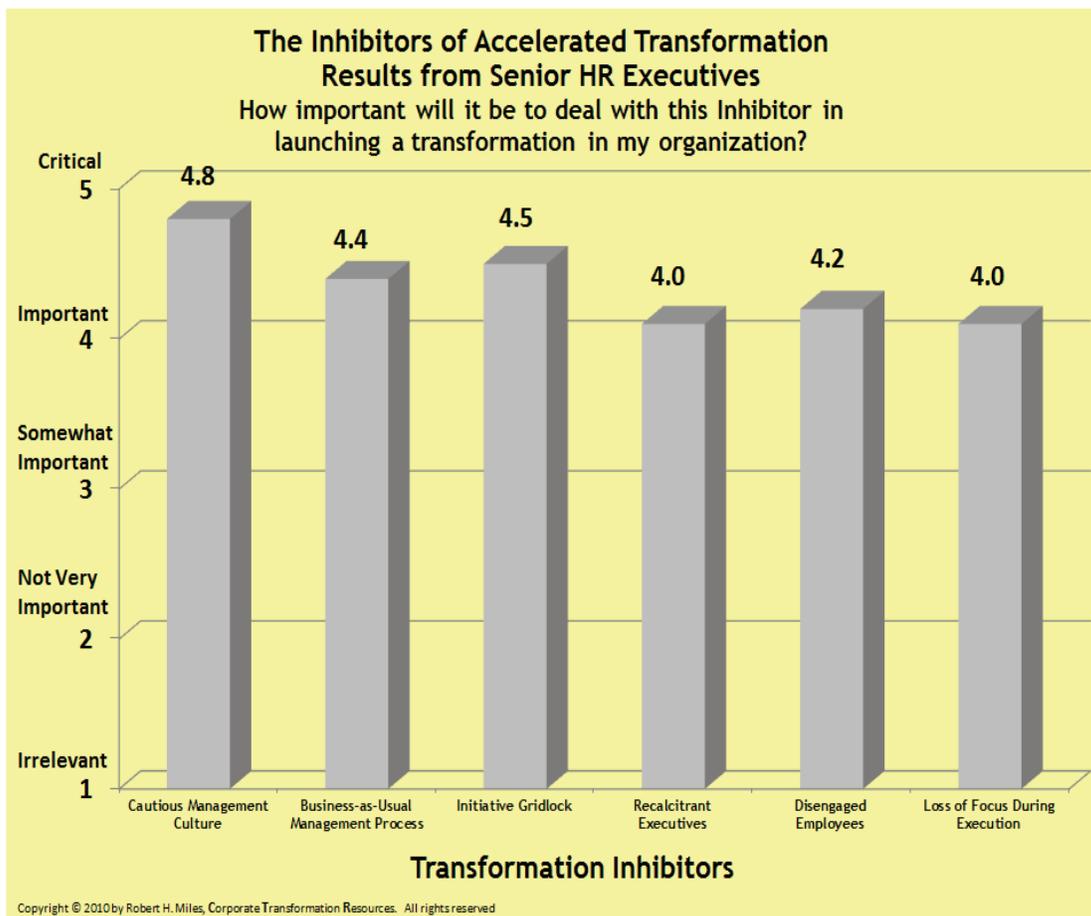


The empirical results, shown in the figure below, dramatically validate and reinforce the clinical insights which I had derived from my corporate transformation practice. Senior human resource executives to whom CEOs rely on most to help them design and orchestrate the process of corporate transformation rated all six inhibitors on average as being between “Important” and “Critical” to the success of such an endeavor. Thus, dealing with all of the six inhibitors were each rated as very important to the success of such transformation efforts by the professionals who are closest to the process of corporate transformation.

Accelerating Your Transformation

The success of corporate transformations of all kinds is something that absolutely can and should be managed better.⁴ Both my 25 years of clinical practice in this area and the perceptions of senior human resource leaders from a wide variety of organizations and industries strongly agree that there are some identifiable inhibitors that are embedded in organizations that together significantly limit the speed with which leaders of corporate transformations can reach their intended breakthrough results. Many of these inhibitors may be effectively ignored during periods of steady state in organizations. But if not understood by CEOs and their executive leaders, even one of them can bring corporate transformation and breakthrough performance aspirations to a grinding pace.

Knowing where these inhibitors reside in your organization and how to turn them into accelerators to drive your transformation will make all the difference in your success in these fast paced times. This is a perspective and a skill set that all CEOs, general managers and senior human resource leaders must master to be successful in launching out of the current recession and into the 21st century.



Footnotes

1. Robert H. Miles, “*Accelerating Corporate Transformations-Don’t Lose Your Nerve!*” **Harvard Business Review**, January-February 2010, pp. 68-75.
2. For more detailed coverage of the transformation “inhibitors,” as well as the “accelerators” for overcoming them, please refer to “Robert H. Miles and Michael Kanazawa, **BIG Ideas to BIG Results: Leading Corporate Transformation in a Disruptive World** (Pearson), 2016.
3. For a more extensive exploration of employee engagement and how to accelerate the achievement of it, refer to Robert H. Miles, “*Beyond the Age of Dilbert: Accelerating Corporate Transformations by Engaging All Employees,*” **Organizational Dynamics**, Vol. 29, No. 4, Spring 2001, pp. 313-321.
4. My **Accelerated Corporate Transformation (ACT)** process architecture was explicitly designed to enable transformational leaders overcome each of the six inhibitors. Refer to www.CorpTransform.com for more information about this methodology.



Robert H. Miles, Ph.D.



Robert H. Miles, Ph.D., President, Corporate Transformation Resources, is a global thought and practice leader in the fields of corporate transformation and executive leadership. He has served CEOs as the principal process architect and supervisor of over 30 corporate transformations. A summary of insights from his experiences, titled “*Accelerating Corporate Transformations*,” appeared as a feature article in the Jan/Feb 2010 issue of the *Harvard Business Review*, and was reprinted in the “**Reinvention**” issue of *HBR OnPoint*, Spring 2012.

Over the past two decades Bob has pioneered an **Accelerated Corporate Transformation (ACT)** methodology at such leading companies as Apple, Black & Veatch, General Electric, IBM Global Services, National Semiconductor, Office Depot, PGA Tour, Rockwell International, Southern Company and Symantec, as well as a number of emerging high-tech companies. ACT has been licensed to several global consulting firms. Miles also is the author of a series of books on corporate transformation and organizational effectiveness, including **Corporate Comeback**, **Leading Corporate Transformation: Blueprint for Business Renewal** and **BIG Ideas to BIG Results: Leading Corporate Transformation in a Disruptive World**, Second Edition, with Michael Kanazawa (Pearson, 2016).

Frequently serving as the Principal Process Architect to executive teams as they plan, launch and refocus their corporate transformation efforts, Bob helps new CEOs “take charge” and sitting CEOs launch the next major phase in their organization. A trademark of his approach has been the intensive, high-engagement, all-employee cascade, which launches the execution phase by quickly focusing everyone in the enterprise on a shared set of business performance and cultural stretch goals for breakthrough results.

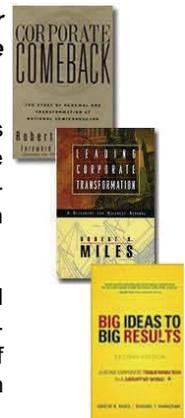
On the Yale and Harvard Business School faculties for many years, Bob taught in the MBA and Doctoral and senior executive programs. At Harvard he was Faculty Chairman of an innovative residential executive program, which helped CEOs and their teams plan corporate transformations. He is a Cofounder of the Macro Organizational Behavior Society, (Miles, **Macro Organizational Behavior**, 1980), a convocation of elected global scholars held each year at HBS.

Later he was Hopkins Distinguished University Professor and Dean of the Faculty at the Goizueta Business School at Emory University.

Bob served for over a decade at both the AEA/Stanford Executive Institute and at GE’s Crotonville Operations (where he redesigned and taught all of the executive-level change management modules). He also served on the Editorial Review Boards of Management Science and Administrative Science Quarterly, and on the Advisory Boards of the Organizational Effectiveness Division of The Conference Board and the U.S. Department of Energy.

Earlier in his career, Bob was an Operations Analyst at Ford Motor Company, a First Lieutenant (Armor) in the U.S. Army, Special Assistant to the Director of Research, Development and Engineering at U.S. Army Missile Command, and a Project Manager at the Advanced Research Projects Agency (ARPA) in the Office of the Secretary of Defense.

Miles received a B.S. from the McIntire School of Commerce at the University of Virginia (where he served for two decades on the Advisory Board) and a Ph.D. in Business Administration from the University of North Carolina.



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